# Published by

Citrus Growers' Association of Southern Africa

Grower levies working for you!



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# Foreword

The citrus industry is South Africa's biggest fruit industry, exporting approximately 100 million cartons (15kg) and earning a gross revenue of more than six billion Rands annually. The industry also makes a considerable contribution to job creation throughout its production regions and its logistics chain to the ports of exit.

Thus in terms of both the broader South African agricultural sector as well as the Land and Agrarian Reform Programme, the citrus industry is of vital importance. The challenge facing government and industry is how to implement successful transformation within this important agricultural sector without negatively impacting on the income and jobs created within the sector.

In global terms the South African citrus industry is the second biggest exporter of citrus despite its relative distance from lucrative markets. This achievement speaks volumes about the commitment of individuals within the industry who make things happen.



Industry does not empower people as it is the individuals with necessary will and drive that empower themselves by making use of the opportunities available to them. Through the current co-operation between Government initiatives at various levels and dedicated citrus industry inputs an environment conducive to assisting this process has been created.

It is clear from their track record that the citrus industry is a leader in the field of transformation within the South African agricultural sector and the industry can be congratulated on showcasing their efforts and successes in this publication.

**Mr Langa Zita**
**Director-General of the South African Department of Agriculture, Forestry and Fisheries**

# Introduction

In 2005 the citrus industry published “Our Citrus Transforms”, a publication illustrating the various transformation and empowerment projects within the South African citrus industry at the time.

During the past six years there has been rapid development and growth in this field. The citrus industry has also prioritised transformation and has mobilised considerable resources to foster this process.

Thus the time was ripe for us to take a fresh look at the current status of transformation within the citrus industry with Fruits of Success. In the process of compiling this publication we travelled across the eastern provinces of the country, revisited some of the lasting success stories as well as investigating younger projects and projects that have made positive strides despite previous challenges.

We have followed this up with a focus on the west of the country, Fruits of Success West, in which we have covered the well-established Western Cape Production region and the rapidly developing Northern Cape Production regions.

The Citrus Growers’ Development Chamber has been established to provide the emerging growers with a forum and representation in the industry. Mentorship and extension services offered by CRI and CGA are providing valuable support to emerging growers across the country. The CGA Transformation Desk is proactively engaging with government, industry bodies and other stakeholders on behalf of the emerging sector while the Citrus Academy is achieving remarkable successes in building human capacity.

This publication has allowed us to present a snapshot of the status of transformation within the citrus industry by the testimony of people directly involved at ground level. The energy and enthusiasm of people within the citrus industry is truly inspirational and the insights and ambition of these individuals certainly bodes well for the future of the industry – enjoy reading what they have to say.



I believe that the best model for the success of land reform projects in the South African agricultural sector is a coordinated approach when providing support, access to information, and involvement of all stakeholders involved in each and every commodity to avoid duplication and waste of funds. This will ensure service delivery is received on time in this sector and all in the name of food security.

**Thank You!**

**Lukhanyo Nkombisa**
**Transformation Manager,**
**Citrus Growers’ Association of Southern Africa**

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# Western Cape

# Citrus Growers' Development Chamber

***During 2011 the transformation initiatives in the citrus industry have been taken to a higher level with the establishment of the Citrus Growers' Development Chamber (CGDC).***

**Citrus Growers' Development Chamber members at the meeting of the Chamber at Willow Park, Johannesburg in June 2011. Members present were: Back Row: Philemon Sambo, Jonathan Young, Tompson Mankhili, Richman Mavimbela, Hannes Hobbs, Joseph Nkosi, Celestina Tlolane, Mzo Makhanya.**
**Front Row: Lawrence Mgadle, MP Madidimalo, Eric Nohamba, Samson Qomondi, MJ Matlou, Cedric Kgwedi.**

**The first meeting of the Citrus Growers' Development Chamber (CGDC) was held on the 23rd of March 2011, in Johannesburg. The CGDC was established to provide emerging growers within the sector with a forum to tackle industry issues specifically relevant to emerging growers. This was the realisation of a request at a workshop in 2008 during which emerging growers asked to have a more structured voice within the CGA.**

The CGDC consists of fifteen representatives from magisterial districts where emerging citrus growers are active. A chairperson and vice chairperson were elected from these representatives. The CGDC members also have representation on each of the five citrus Variety Focus Groups, the CGA Logistics Committee and the Citrus Marketing Forum.

The chamber has held three meetings to date. Members have mapped out the activities that the chamber will be involved in and these coincide with the activities undertaken by the CGA Transformation Portfolio.

The establishment of the chamber is fostering even closer links between the CGA and emerging citrus growers and is a clear indication that emerging growers are ready to take up the challenge and engage with stakeholders involved in transformation.

# Citrus Growers' Development Chamber Members

**Mzo Makhanya (Chairman)**

**Thulwane Investments**

**Nkwalini, KZN**

**Individual Farmer**

**Other Industry Representation:**

**Former Vice Chairperson of PPECB**

**Comment:** "The Development Chamber members are fully fledged members of CGA and we pay our CGA levies. Members are also represented in other CGA structures such as the various citrus focus groups and marketing forums. The members use information from these entities to disseminate information to our growers through the provincial committees."

**Willem September**

**Cedar Sitrus**

**Citrusdal, Western Cape**

**Cedar Sitrus Workers' Trust Chairman and trust beneficiary**

**Comment:** I see the opportunity to be included in the Citrus Growers' Development Chamber as an exciting challenge. I have attended the recent meeting of the Development chamber in Port Elizabeth and I now realize that this Chamber will give me the chance to bring home knowledge that is beneficial to our business.


***Mouton Citrus and Mgro logos at the entrance to Brakfontein Estate***

# Mgro Ltd. and Mouton Citrus

**Citrusdal, Western Cape**



**The headquarters of Mouton Citrus are at the beautiful and well-established Brakfontein Estate north of Citrusdal. On the elegant farm entrance gate the Mouton Citrus logo and that of their empowerment partner Mgro Ltd. are proudly positioned side by side, providing a fitting illustration of the working relationship between the two entities in the business.**

Mouton Citrus is a considerable citrus farming operation which encompasses 12 farms in the Citrusdal Valley and with a total of 900 hectares of citrus. This is a producer exporter business model and approximately 40% of the 3 to 3.5 million cartons marketed by Mouton Citrus is fruit produced by other growers in the valley who outsource these functions to Mouton Citrus. In 2001 Seald Sweet International in the USA invested in Mouton Citrus which assisted the business to expand rapidly and to commence with exporting their own fruit.

Mgro is Mouton Citrus's empowerment partner and was established in 2002 when 236 Mouton Citrus workers bought shareholding in Mouton Citrus by combining their LRAD (Land Redistribution for Agricultural Development) government grants. The name is derived from "Empowered Growth" and Mgro owns 11% of Mouton Citrus shareholding. There are currently plans underway to increase the Mgro shareholding to between 20 and 30%. The empowerment strategy and alignment to the AgriBEE charter provided the business with the opportunity to access significant business opportunities.

Hendrik Cloete is Quality Control Manager and Personnel Officer for Mouton Citrus. He represents Mgro as Director on the Mouton Citrus Board of Directors. "Our success has been achieved through co-operation with the common focus and vision we share with the company. With Mgro given the opportunity to either become a shareholder in Mouton Citrus or establish a smaller separate venture, we made the decision to rather become part of the bigger operation. Looking back this was really the best decision as our project is working, especially seen in the context of others that have failed. I am excited about what this will mean for us in the long term as the value of our shareholding has nearly doubled," he explained.

"We are first and foremost a commercially driven business accepting our social responsibility towards our employees and community," says Johan Mouton, MD of Mouton Citrus. "Our empowerment initiatives stem from 1985 when we started to empower our people at all levels in the company. This was followed in 2002 by the establishment of Mgro's shareholding. Our business growth philosophy is "Grow with the Winners" and that is indeed what Mgro has done over the past decade alongside the growth of Mouton Citrus."

Social development is an important part of the Mouton Citrus ethic and a long-term goal has been for the shareholders to accept and understand ownership. The development of leadership skills and creating the correct environment in which people are willing and able to empower themselves has fostered his process.

"Emerging growers can be successful at producing and marketing their fruit if they partner with strong partners. This has really been the key to our success and the successes of Mgro are proof that equity empowerment schemes can be highly successful," concluded Hendrik Cloete with a smile.


***Hendrik Cloete, Mgro Director on the Mouton Citrus Board of Directors***



# Ruigerivier and Mouton Citrus

## Citrusdal, Western Cape


*Andries van der Poll, Chairman of the Hexrivier Workers' Trust at Thara Khama*



**At the Southern end of the Citrusdal Valley the tamed arable land gives way to a wilder landscape of rugged mountains with remarkable and imposing rock formations. Here the tarred road ends in a gravel track and the traveller is rewarded with spectacular views of orchards in this dramatic landscape.**

This is the setting for Thara Khama Farm, the farm belonging to Mouton Citrus where I met Andries van der Poll, Chairman of the Hexrivier Workers' Trust. Andries is the production manager at Thara Khama as well as the nearby Ruigerivier Farm (Pty) Ltd., the beautiful farm in which the 150 beneficiaries of the Hexrivier Workers' Trust have a 70% shareholding. Mouton Citrus now owns the 30% balance of the shares in Ruigerivier (Pty) Ltd. and is managing the production and export of citrus on Ruigerivier according to the shareholders' agreement.

Ruigerivier (Pty) Ltd. has 176 hectares of arable land. The farm currently has 35 hectares of citrus orchards and as the property has 85 hectares of water rights, there is opportunity for expansion of a further 50 hectares. "Mouton Citrus is now our strategic partner and this ensures that Ruigerivier benefits from the expert technical skills, management support and the economy of scales for growth offered by Mouton Citrus," explains Andries.

The Hexrivier Workers' Trust bought this equity in 2006 and at the time Ruigerivier was one of the farms in the Hexrivier Sitrus Group. Dirk Visser, the owner of Hexrivier Sitrus, retained the balance of 30% shareholding in the farm as a commitment to the future of the partnership. The beneficiaries of the trust were all workers of the Hexrivier Sitrus Group and bought this majority shareholding by combining their LRAD (Land Redistribution for Agricultural Development) government grants to make up the approximately R4 million required for the purchase. During 2011, five years after the transaction, these shares became tradeable.

As the Hexrivier Sitrus Group has subsequently sold some of their farms to Mouton Citrus, the beneficiaries of the Hexrivier Workers' Trust are currently employed by different entities in the Citrusdal Valley and they continue to maintain a keen interest in their farm.

Ruigerivier is a well-developed farm with good infrastructure and produces citrus varieties that are popular in the markets. The farm is currently negotiating with the Department of Land Affairs to expand the farm's orchards and thus production. "We hope that with the Mouton Citrus marketing expertise we will be able to increase the farm's income and provide better opportunities for further development. We hope to be able to buy more land in the future. In order to keep 150 people happy and pay them a meaningful dividend, 80ha of land is too little. We will need to show some results soon as people are getting despondent. There are some people who want to sell their shares but we have managed to dissuade them thus far as this was not the purpose of the venture. We have high hopes for the future," says Andries.

It has now been six years since the Hexrivier Workers' Trust bought the share in Ruigerivier. Initially there were 150 beneficiaries but during the past six years four have passed away. This period has also represented a steep learning curve for the shareholders. "Effective communication with shareholders is a very important part of success for our project. We have started well but will have to continue developing competency skills and ensuring that the beneficiaries remain committed to the long-term success of our farm.

"Although we have had some tough times I speak for all the beneficiaries when I say that we will be forever grateful to Hexrivier Sitrus and Dirk Visser for the opportunity to acquire shareholding. The original deal was put together by Capespan, the Department of Land Affairs and at the time Johan Hamman from Land Affairs was very helpful. More recently the assistance and support that we receive from Mouton Citrus is proving crucial to our success and we truly value their inputs. It is very reassuring to have a strong commercial entity as our partner."

Andries is originally from Namaqualand and came to Citrusdal in 1992 when he was employed by Hexrivier Sitrus. "I was studying agriculture at Kromme Rhee Agricultural College near Stellenbosch. Dirk Visser, the owner of the Hexrivier Sitrus Group north of Citrusdal, was looking for production managers and he contacted Kromme Rhee. Well, he appointed me and I started working at Hexrivier straight out of college. From 1995 to 2010 I was the production manager on various farms in the Hexrivier Sitrus Group. I started working for Mouton Citrus from the beginning when they bought Thara Khama and 30% of Ruigerivier. My wife and children live here on the farm with me. We love the farming lifestyle and you are not likely to see us leave here!"

"As Mouton Citrus has a history of empowerment initiatives including the establishment of Mgro in 2002, joining hands with the Hexrivier Workers' Trust through our shareholding in Ruigerivier is a further illustration to this commitment. Although the partnership is still relatively new, we are working well together and there are good prospects ahead for the future of Ruigerivier," concluded Johan Mouton, MD of Mouton Citrus.



# Cedar Sitrus and ALG Estates

**Citrusdal, Western Cape**

**Cedar Sitrus is named after the mighty Cedarberg Mountains to the east of the Citrusdal Valley and the project was one of the first empowerment projects initiated in the Western Cape.**

This pioneering initiative was established in 1999 between ALG Estates (Gerrit and Al van der Merwe) and the 36 members of the Cedar Sitrus Workers' Trust, workers living and working on the ALG Estates production units. Cedar Sitrus consists of 40ha and is quite unique as the property was donated to the project by ALG Estates. ALG Estates hold 50% of the shares in Cedar Sitrus while the balance is held by the IDC (Industrial Development Corporation) and the 36 workers. Each of the workers received a grant of R15 000 from the Department of Land Affairs LRAD fund and pooled the grants as their contribution towards funding the new project.

Although the IDC holds 35% on behalf of Cedar Sitrus, it has no voting powers and has been a silent partner from the project's inception. Negotiations are currently underway to buy out the shares held by the IDC in order to offer the 36 shareholders a bigger shareholding.

The project started from scratch with virgin ground and the first 24 000 trees were planted in 2001 followed by a further 12 000 in 2002. The varieties that were selected for planting in these orchards are all popular varieties in demand in the world markets. In order to provide some income before the trees had started bearing,

***Willem September and Tiekie (Lena) September, beneficiaries of the Cedar Sitrus Workers' Trust***

Cedar Sitrus planted watermelons between the rows of citrus trees. The first citrus crop was harvested in 2004 and was exported to the United States and Europe. Today these are mature trees in full production. Currently the farm has 40 hectares of orchards and produces approximately 2200 crates of fruit.

The Van der Merwe family has a long tradition of farming in Citrusdal and six generations have farmed in the valley since 1750. "Over the years we have had the support of many loyal farm workers and their families who have contributed to the success of the ALG business. The motivation for Cedar Sitrus was that this provided the opportunity to give something back to them," says Gerrit van der Merwe, CEO of ALG Estates. "The success of Cedar Sitrus is largely due to the sophisticated production, packaging and marketing channels that it enjoys due to its relationship with ALG Estates," he explained. The Cedar Sitrus project has proved successful as ALG Estates supply all technical support. As Cedar Sitrus has ALG Estates as a partner, the fruit produced on their farm is packed and marketed by ALG Estates.

Willem September is the production manager on Cedar Sitrus and also a shareholder. He grew up in Citrusdal and has worked for ALG Estates since 1976, including a five-year stint in the ALG Estates nursery. Earlier this year Willem also took on the responsibility of managing a second farm, this one the property of ALG Estates. During 2012 he was selected as the Western Cape representative on the Citrus Growers' Development Chamber.

"The management of ALG Estates has a weekly technical meeting which I attend. This has provided me with invaluable technical knowledge of production practices over time," stresses Willem. "Cedar Sitrus owns the farm and the farm machinery necessary for production. If we have a crisis with the machinery, we receive assistance from ALG Estates which is a huge benefit to us.

"Cedar Sitrus has five permanent workers and during the harvest we employ many seasonal labourers. When the project started, we could choose who we wanted to be involved and choosing the right people from the outset has accounted for much of our success. I always dreamt of owning my own business but this was not possible. Then this opportunity was offered and we thought it was just short of a miracle. We are proud of this and want to be the best we can be and are also forever grateful to ALG for this opportunity. There is a mutual realization that Cedar Sitrus will not easily manage without the support of ALG Estates and that in turn ALG Estates will not be able to operate without the workforce. This mutual respect and understanding underlies our success. "I see the opportunity to be included in the Citrus Growers' Development Chamber as an exciting challenge. This will allow me to bring home knowledge that is beneficial to our business."

Lena (Tiekie) September is a community developer on ALG Estates farms and a shareholder in Cedar Sitrus. She grew up in Citrusdal and has worked on ALG Estates since she left school. During the 1990's she was trained as a community development officer by the Rural Development organization and has cuntinued in this capacity on the ALG Estate farms. "Today I am the receptionist at Karnemelksvlei as well as the chief community developer on ALG Estates Farms. There are other community developers that work with me and together we cover the five production units within ALG Estates and there are up to 600 people on the farms. I love this job – you have to love doing this otherwise you will not be successful," says Tiekie with a huge smile.

"When planning for Cedar Sitrus started in 1989 there were 35 men as shareholders and they included me. This opportunity for ownership was beyond our wildest expectations. As part of the planning process the shareholders went to Saldanha. By an incredible coincidence Nelson Mandela was also there for a function that day and I had the opportunity to meet him!

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**CEDAR SITRUS**

*empowerment bearing fruit*

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# Paardekop

## Citrusdal, Western Cape

***Soil prepared for planting at Paardekop on the plateau at Paleisheuwel***

**Paardekloof is a large farm situated in the Paleisheuwel area, a plateau on the Piekenierskloof Mountains near Citrusdal. The homestead is perched on a slope overlooking the Citrusdal Valley and the farm has a spectacular setting. The van Zyl family have farmed in the area for decades and today the farm is owned by brothers Erasmus and Bielie van Zyl.**

"We farm with citrus mainly and also deciduous fruit and Rooibos tea", says Erasmus van Zyl. "The farm has 250ha citrus, 100ha peaches, both for drying and fresh packing, 120ha wine grapes and 1200ha Rooibos tea."



The Paardekop Worker's Trust has 158 beneficiaries and owns a property used for the cultivation of Rooibos tea. This consists of 300ha in total, of which 250 is arable land under cultivation. Paardekop has a rental contract with the Workers' Trust for tea production and the trust receives a quarter of the tea yield off the trust's property. This they market themselves and the income represents their dividend. "We started the empowerment project in 2007 and there has been a good yield from the tea and we have been able to pay our people a dividend annually since the project's inception four years ago," Erasmus explained. This is one of the few projects where dividend payments have been made from the start and the total paid out to date is around R450 000. The trust's property mountaintop location has the added benefit that the property has two cell phone towers on it for which the trust receives a welcome annual rental.

"We are very grateful for our ownership of this property and the opportunity that was given to us by Paardekop," says Basil Waterboer, Chairman of the Paardekop Workers' Trust. "The way the deal was structured in the end has created some issues between the beneficiaries of the Trust which we at Paardekop are trying to resolve."

He explained that there are 158 beneficiaries of the Workers' Trust and of these, 127 are income beneficiaries and only 31 are capital beneficiaries. During the planning phase of the project the land that they were to purchase was valued at around R3 million and with the combined LRAD grants of R20 000 per person from the 158 beneficiaries of the trust, the amount was on target to cover the cost neatly. During the period between the planning and finalization of the project, however, the amount awarded for LRAD grants increased from R20 000 to R111 000 and the combined total of this far exceeded the sum they required. This was right at the end of the negotiation process and they had to act fast or lose the opportunity. As a result grants of

R111 000 were received by 31 members of the trust, including Basil, and this was combined to pay for the property and the empowerment project was started. The balance of the workers did not receive any grants. The situation that this created is that the beneficiaries of the Paardekop Worker's Trust are classified as 31 capital beneficiaries and 127 income beneficiaries. All the beneficiaries receive the same dividend but the unequal situation within the Worker's Trust is creating some dissent.

"We are pro-actively trying to engage government to help us resolve this issue," explained Basil. "I must thank our employers the Van Zyl brothers and my fellow trustees for their help with the trust. They are always there when I need them and have done very well under the circumstances."

Beneficiaries need to be employed on the farm to be part of the Workers' Trust and all of the permanent employees live on Paardekop. Ten of the retired farm workers have also stayed on in their homes. Since the project was established some of the original beneficiaries have passed away. There are also a number of new workers who are not yet part of the Trust but this is expected to be addressed soon.

Erasmus explained that the farm has its own crèche and there are approximately 50 preschool children that attend the crèche daily. There is also a school building on the farm and the school is administered by the department of education, with children from the whole Paleisheuwel region attending classes.  At Paardekop they do training on the farm during autumn and early summer during the short periods when they are not harvesting any crops. The farm has a rugby field and a community centre, the funds for both of which were sponsored by Fair Trade premiums through accreditation with Fair trade. The funds are also used to pay for school fees and other educational costs like boarding fees.

***Basil Waterboer, Chairman of the Paardekop Workers' Trust***

Basil is from Citrusdal and previously worked at Goede Hoop Citrus Packhouse for seven years. "This was a seasonal post and I was looking for something permanent so I came to Paardekop. The farm has crops that are harvested throughout the year and it was a good place to live and work. Due to my background and training I was asked to be the chairman of the Paardekop Workers' Trust. This was an honour for me and I took trouble with all the transactions with our service providers and partners setting up the project to ensure its success. In doing so, this experience has also proved to be a personal empowerment process. I believe strongly in this process and therefore I will be very pleased if we can sort out the unequal situation we currently have in the Trust," concluded Basil.

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"Cedar Sitrus has brought about an incredible change in attitude of the farm workers. The people know that they have ownership and it has transformed the way that they relate to their work. Our people have been trained in understanding how a business works.  We worked hard here as we started from scratch with virgin ground covered in bush. Today the wives of the other shareholders often come down to the farm to see how the farm is looking. We have been able to keep up with paying our debts on the property and things are looking good.

This has been an incredible opportunity that has come our way. It would not have been possible without the unflagging support that we have received from ALG Estates. Without this our lives certainly would have been very different. I wish I could see more farm workers receiving the opportunities that we have received."

ALG Estates and Cedar Sitrus are accredited with Fair Trade and premiums earned over the years have been used to build infrastructure on the farm which include a community centre, a rugby field and a crèche. The community centre serves as a venue for various social gatherings. The rugby field is well used by the farm team for practices and during the rugby season the farm team plays competitively against clubs from surrounding towns.


***Potgieter van Zyl, Johnnie Booise, Ronel van Zyl, Levine Adams and Willem Booise. Levine Adams is the Chairman of the Bergendal Workers' Trust and Johnnie and Willem Booise are beneficiaries of the Trust. Potgieter and Ronel Van Zyl own Bergendal Farm and are the Trust's partners in Maneberg (Pty) Ltd.***



# Maneberg (Pty) Ltd and Bergendal

**Citrusdal, Western Cape**

**The Western Cape is known for its beautiful, fruit-filled valleys separated by steep, impassable mountain ranges. There are, however, some exceptions to this rule, like the Paleisheuwel area near Citrusdal. Here intrepid pioneers have established farms on the beautiful plain on top of the imposing Piekenierskloof Mountains. These farms are as productive as they are lofty as the climate allows for the production of citrus, stone fruit, and wine grapes as well as Rooibos tea, which is indigenous to the area.**

Bergendal Farm is situated on the Paleisheuwel Plateau and, as the name translates as mountain and valley, it is certainly well named. This neatly kept 600ha farm is owned by Potgieter and Ronel van Zyl. The farm's bountiful production and its rewards are echoed in the inclusive management style on the farm as well as the shareholding of the farming operation. Here the 91 beneficiaries of the Bergendal Workers' Trust own a 32% share of the Maneberg Company that owns the neighbouring farm Maanskloof, the Bergendal Packhouse and a share in the Everseason fruit exporter. Everseason is based in Citrusdal and is responsible for marketing the company's citrus fruit. The Bergendal Workers' Trust also has a 50% share in Bergendal Rooibos and a share in the Rooibos marketing Company Carmien Tea.

Levine Adams is the Chairman of the Bergendal Workers' Trust. She is the administrative officer at Bergendal and the friendly face of the company that greets visitors at the farm office. Levine has worked on the farm for fifteen years and as she lives in Citrusdal, she travels up and down the mountain daily. "I come to work with a spring in my step as I love working here and am proud of our farm," says Levine with a smile. "The farm has always operated with inclusive decision making since long before BEE and the establishment of this project was the natural progression from the management style. We are all incredibly grateful for this opportunity and are prepared to work hard to ensure the success of our share in the business."

Maanskloof Farm is a large unit of approximately 1200ha although much of that includes uncultivated mountain ground. This area is used for conservation and forms part of the habitat of a Cape Mountain Leopard sighted on the property from time to time. The farm is named Maanskloof as it is situated at the foot of the imposing Maneberg Peak, which is also the origin of the company's name.

The cultivated section of Maanskloof Farm currently has 50ha citrus, 60ha stone fruit, 40ha wine grapes and 144ha Rooibos tea. The Bergendal packhouse packs peaches, apricots, nectarines and citrus produce and the annual total is around 300 000 cartons. The Workers' Trust receives an income for every carton packed. Maneberg Pty. is a shareholder in Everseason and receives an additional annual income on all fruit delivered to Everseason for marketing.



The Bergendal Workers' Trust was created is 2006 and the beneficiaries of the trust are 58 permanent workers and 33 seasonal workers from Bergendal. The Trust acquired the 32% equity in the same year through the Department of Land Affairs LRAD grant system. The value of this grant varies over the duration of this fund and at the time of this transaction each grant was worth R44 000. This allowed the beneficiaries to combine their grants and buy their share in Maneberg Company.

In the orchard at Maanskloof Bergendal Workers' Trust beneficiaries Willem and Johnnie Booise proudly showed their ripening Esbal Clementines. Willem Booise is the irrigation and production foreman. He lives on Bergendal and has worked on the farm for 20 years. "This unexpected opportunity for ownership came our way and it was simply too good to refuse. We realised that if we went into this venture together as this farm's workers, we would have to tackle it together and learn to operate as a team. Although this does have its challenges at times, we are committed to success and work together successfully to overcome these obstacles. If you look around you, you will see our successes."

Johnnie Booise has lived and worked on the farm for 15 years and is responsible for irrigation, fertigation and production. "Many years ago I chose to work on Bergendal and have been here since long before this project was initiated. This was truly an unexpected gift for us. We have put a lot of hard work into this and made sacrifices to build up the farm. The project represents a future for us and I believe that there are still many opportunities for us on the farm."

The Maneberg Company has recently bought a new 600ha farm near Piketberg. Currently it has only wine grapes but there is the potential to cultivate 120ha of citrus and deciduous fruit. They plan to accommodate the approximately 40 workers on this farm in the Bergendal Worker's Trust and are awaiting funding to implement this. "I have enjoyed working on the new farm and with the farm people in Piketberg. In time the people there will get to know the methods in which our business operates," said Johnnie Booise, who has spent time working on the new property.

Bergendal Boerdery and Maneberg are Fair Trade accredited and the premiums earned by the farms from Fair Trade over the years have been used to build infrastructure for social projects on the farm. These include a community hall and four flats, solar geysers for buildings and homes on the farm as well as an amphitheater at the local school. Fair Trade funding has also been used for school fees, licenses, a jungle gym for the farm children as well as to lay tiles in 14 of the workers' houses on the farm.

The Van Zyl family have farmed at Bergendal for more than 50 years and this project is the realization of their policy of inclusiveness and sharing. "Since the start of this partnership it has been possible to pay the beneficiaries of the trust dividends every year," explained Ronel van Zyl. "The sense of ownership has resulted in a remarkable sense of community spirit amongst people on the farm and this has lead to a huge growth in productivity as well as growth within the business. These have been the results of us all truly working together as a team."

# De Kamp and Boonjiesrivier

**Citrusdal, Western Cape**

**Boontjiesrivier Farm is situated close to the town of Citrusdal and is the home of Piet and Gerrit Smit. The brothers are the fourth generation of the Smit family to own and farm this property and the beautiful old farm buildings and manicured orchards speak of generations of careful nurturing. Although the Smits have many orchards of popular new varieties, the good yield on Washington Navels planted in 1960 in one of orchards bears clear witness to this long-term commitment.**

This is the setting for the De Kamp empowerment project which was established in 1997 and was the first empowerment project in the Citrusdal area. "Gerrit and I have always believed strongly in community development and upliftment," explains Piet Smit, Director of De Kamp and CGA Director for the Western Cape. "During the 1990's we were involved in the Rural Development Foundation and were involved in training at Elandskloof, the mission station land near Citrusdal that was claimed back by its original inhabitants in 1996. First restitution property in the Western Cape.

"While our family has owned this farm for generations there are people who currently live and work on the farm whose families have also lived and worked here for generations. Although they do not have a legal claim to this property, they have an emotional attachment to the farm. Our motive for starting with the empowerment project was that we wanted to give our workers something and also provide some equity to ease their retirement as this is usually a difficult time for farm workers.

The De Kamp Workers' Trust was established with 20 of the farm workers as beneficiaries. (The beneficiaries consisted of 19 men and 1 woman.) Initially the people received R15 000 per person from the LRAD grant funding and together they contributed R 300 000 as shareholder capital. De Kamp borrowed a further R1.2 million from the Industrial Development Corporation. With this capital and together with the Smit brothers as 50% shareholders, the trust purchased and developed the De Kamp property.

In 1998, they established 20ha of citrus trees with open hydroponic irrigation. There are 4 orchards of 5ha each consisting of 5ha of Nules Clementines, 5ha of Cara Cara pigmented Navels, 5ha of Kiyomi Soft Citrus, and 5ha of Bahianina Navels. The trees are now 14 years old, and the project is proving to be highly successful.

The business is structured so that the trust hires the Boontjiesrivier machinery, labour and resources to prepare the harvest. The fruit produced by De Kamp gets the benefit of the supply chain and premium supermarket programmes in the USA and UK. The Smit brothers are shareholders in Cedarpack Packhouse and the project's fruit is packed and marketed on their behalf by Cedarpack and FFE (Favourite Fresh Exports) marketing company in Stellenbosch.

Initially there were 20 beneficiaries. Since then some of the beneficiaries have left and some have passed away. In order to retain the equity with people directly involved with the farm, if a beneficiary leaves the farm to work elsewhere, the trust stipulates that they have to sell their share back to the trust. The other shareholders have first option to buy out these shares.

The debt was taken over by Standard Bank and has most of this has been paid back. While this debt was being paid off, it was not possible to pay dividends but during the past four to five years we were able to pay some monies back to the workers "The long term-vision for the project is to create an extra income and to ease retirement for the beneficiaries. In reality this vision is not shared by all the beneficiaries as the long-term profit pattern is frustrating for many people who want to see a quicker return on investment."

Kerneels Baron is a beneficiary of the trust and grew up on the Boontjiesrivier Farm. He is a supervisor on the farm and has 17 people reporting to him. "I am very happy and grateful to the farm owners for the project we have here and the security that it provides for us is something we never expected in our wildest dreams. I have four young children and I believe that this project will help with their future. We are very proud of this project as our successes are visible from the health and yield of our trees.  Since we started a number of people have left and passed away and it is also possible that some more of our permanent employees will be able to join the trust in the years ahead."

Jana Baron is also a beneficiary of the De Kamp Worker's Trust. She is Kerneel's sister and works as a domestic worker at Boontjiesrivier. "I live on the farm and also grew up here. Initially I worked in the women's team in the orchards on the farm but have now been a domestic worker for many years. In the 1990's the possibility of this project was discussed and we realized that this was an exciting opportunity.

***De Kamp shareholders in the orchard. Front: Leah Baron. Back from left to right: Jana Baron, Elizabeth Fransman, Ankie Scholtz, Johannes Baron and Kerneels Baron with Gerrit Smit.***

"To be honest, initially it sounded too good to be true and I was apprehensive but then I realized that this was good for me for the future. I am a single mom with two kids so this means a great deal to us. This proposal was available for all the permanent workers on the farm and those who were interested in the opportunity joined. Looking back today I am so pleased that I made the decision.

"The project provides me with an income that helps a great deal to make ends meet. I realize that to be part of the project is indeed a privilege. Although I do not work in the orchards I take a keen interest and our trees look good and are growing well. I would like to thank Piet and Gerrit Smit for this remarkable opportunity that they have provided for us."

The Boontjiesrivier farming unit encompasses 180ha of citrus on the Boontjiesrivier, Boskloof, Middelpos and De Kamp production units. The farms have a broad spectrum of cultivars, mostly navels and valencias. During the past few years they have also planted Afourer, Orr, Mor, Nules, Kyomi and Winola soft citrus varieties. Besides the production of citrus, the Smits also have an interest in the packaging, exporting and logistics sectors of the supply chain.  They are shareholders in Cedarpack packhouse, and also have shareholding in FFE (Favourite Fresh Exports) based in Stellenbosch and in the logistics company Freight Logistics 4 You. Gerrit Smit is responsible for production while Piet Smit is responsible for marketing.

*Donovan Cloete, Goede Hoop Citrus Ltd. Empowerment Trust shareholder and Goede Hoop Citrus board member.*

## Goede Hoop Citrus

**Citrusdal, Western Cape**

**Goede Hoop Citrus in Citrusdal is a citrus packing facility that packs approximately 4.5 million cartons of 15kg equivalent cartons annually. The company packs fruit on behalf of some 80 producers in the region and many of the producers are also shareholders in the company.**

"The Goede Hoop Citrus transformation project started in 2006 when shares in the company were offered to all permanent staff members," explains Paul Visser, Human Resources and Communications Manager at Goede Hoop Citrus. "This shareholding was acquired from inactive shareholding in Goede Hoop Citrus and the company bought back this inactive 30% of shareholding from inactive members and placed it in the Goede Hoop Citrus Empowerment Trust. The formula used to calculate the number of shares to be offered to employees is based on years in service and seniority but years in service are weighted more heavily."

The trust offered the shares to individuals employed by the company and the shares were bought by them through means of a loan from the company. The offer for shareholding was accepted 100% by all the employees. The result of this is that 15% of the Goede Hoop Citrus Trust shareholding is owned by employees with PDI status while 6% is owned by white employees. The balance of 9% is for future availability for long service or seniority and this remains an incentive for people to achieve.. One of the stipulations of the shareholding is that it can only be held by employees so if somebody leaves the company, they have to sell their shares back to the Trust.

"We have a less than 3% staff turnover, laughs Paul. "I sometimes get calls from employees just to remind me that they have now reached a certain milestone in their years of employment."

The first dividends were paid out to shareholders in 2008 and the stipulation was that 50% of the dividend would be paid to the shareholders and 50% would be paid against the loans for the share purchase. The company has also paid dividends every year since then.

"We have embarked on a new venture with the establishment of Goede Hoop Citrus Agri Investment," explains Paul. "Our vision is to use this as a vehicle for empowerment on farms. The Goede Hoop Citrus Trust will have a 50% share in this company and the Goede Hoop Citrus producers will also have a 50% share in this. The people are excited because they could become partners in primary agriculture and are seeing the result of their labour."

The employee shareholders are represented on the company's board of directors. The director is elected from amongst the shareholders and the position rotates. Donovan Cloete is currently the Trust Director on the Goede Hoop Board and when his term ends it is likely that a female director will be elected for the next term.

"I am from Citrusdal and have been with Goede Hoop Citrus for 19 years," says Donovan

Cloete, line manager, Goede Hoop Citrus Ltd. Empowerment Trust shareholder and Goede Hoop Citrus board member. "When I started with the company I was a general worker and since then I spent time in the bagging division, insectarium, laboratory/ technical division and also with the post harvest testing division. With the financial aid and moral support of the company I have also managed to improve my academic qualifications. Several years ago I was trained as a pest and disease monitoring officer and have trained staff on the farms that supply Goede Hoop Citrus on how to monitor the orchards for pests and diseases. More recently I have been promoted to line manager in the packhouse. The focus is on quality and sorting the fruit correctly. People approach me with their job related problems and ask me to assist them which I try to do where possible.

"I am a trustee on the board of the Goede Hoop Citrus Ltd. Empowerment Trust and I was chosen to be a director from amongst a group of other candidates. The confidence to take on a position like this developed a few years ago when I was asked to serve on the governing body of our local school. I really did not think I was up to this but took it on as I realized that it would give me good exposure. I gained a great deal of experience from this and so when I was approached to be a director I was confident enough to take up the challenge.

"Looking back at my career and the various functions I have performed I must say that the experience has certainly enriched me as a person and I never imagined that I would reach this level within my career. For this I must give thanks to the open door policy of top management of the company. Human Resources and PR manager Paul Visser has always been very supportive and our MD Gabrie Van Eeden is also fair and approachable. During my time with Goede Hoop Citrus I have been promoted twice without prior knowledge and I have always felt valued and appreciated."


***Top: Goede Hoop Citrus Trust dividend payment ceremony, 2010.***

***Above: Goede Hoop Citrus Managing Director Gabrie Van Eeden (back row) with (front, from left to right): Donovan Cloete, Line Manager, Goede Hoop Citrus Trust shareholder and trustee and current Goede Hoop Citrus board member, Juanda George, Division Manager and Trust shareholder and trustee as well as director of Goede Hoop Citrus Agri Investments, Dinah Cloete, General worker and shareholder.***

# FA Verpakking and Goede Hoop Citrus

**Citrusdal, Western Cape**

**For the past decade Goede Hoop Citrus Packhouse in Citrusdal has outsourced the company's local market packaging function to FA Verpakking. This process has made it possible for former Goede Hoop Citrus employee Alie Cloete to establish his successful FA Verpakking packaging business and provide additional jobs within the community.**

"Goede Hoop supplies large national supermarket chains and my company provides the labour for the packing of the fruit. Goede Hoop supplies the packing material, we rent the packing facility from Goede Hoop and hire the workforce," explains Alie Cloete. The FA Verpakking packhouse is located on the Goede Hoop Citrus premises and a very close working relationship exists between the two entities.

The arrangement was established in 2002. Before that Alie had worked in the Goede Hoop local market packing division but he developed heart problems and was sent on extended sick leave. "When I returned to work after several months I discovered that Goede Hoop Citrus had outsourced the local packing function to Goede Hoop Vrugte in Ceres," says Alie "Although the Goede Hoop Vrugte packhouse in Ceres packs apples and pears, the two companies have a relationship as Goede Hoop Vrugte in Ceres handles aspects of Goede Hoop Citrus's marketing. To fit in with this arrangement I then worked for Goede Hoop Vrugte in Ceres on behalf of Goede Hoop Citrus.

"Paul Visser, our human resources manager here at Goede Hoop Citus suggested that I propose to the company management that



***Allie Cloete, owner of FA Verpakking***

they outsource the packing to me to be done here in Citrusdal. They agreed to this with the condition that if I performed well this service would not go out for a contract tender. This has indeed worked well and we are now in the tenth year of this arrangement.

"For the packhouse to run properly we need between 40 and 60 people. At the start of the season securing a workforce for the season is a problem as the job is simply seasonal but on the other hand some people have been working for me for 10 years. When the season gets busy we also have to run a day and night shift. GHC pays me per kilogram packed and I pay our workers their salaries. In order to be more efficient we pay people according to a piecework scale. This is used as a motivation for increased productivity and works very well. I have a great team that works with me and we have a very good working relationship.

"I have two partners who work very closely with me. These are my brother Jaco and Francois Kamfer. They are both incredibly helpful and as a result of my poor health, I have to delegate much of the responsibility to them. I have also included them in the business as partners. I have never looked back since starting my own business as it has been a very beneficial move for me. I have been able to pay off my house and have learnt to manage my finances better as a result of the business. I have five children and this has made it possible for me to provide for their future.

"The arrangement the business has with Goede Hoop Citrus is great but it only operates for the citrus season (five to six months). I have tried to develop a courier road transport business as a second business but this was unsuccessful as it became too expensive to run efficiently. Thus FA verpakking is truly our bread and butter. We hope to expand our operation to function throughout the year. We hope to pack other products such as potatoes, onions, peaches and grapes outside of the citrus season and we want to market our own fruit. We are currently negotiating with the municipality to look for other premises. Goede Hoop Citrus has said that they will assist us where possible with our expansion plans. We have a business plan and would like to develop this over the next five years.

"I am grateful to Goede Hoop Citrus for the opportunity and trust that they placed in me to get this business going. The open door policy of the management has meant that the management have always been available for me to approach them for advice. Jaco and Francois have also been a fantastic support team and of course I must also thank my loyal and reliable workers."

"Goede Hoop Citrus has a good working relationship with FA Verpakking and over the years they have proved themselves as valuable service providers to our business, Says Paul Visser, human resources manager at Goede Hoop Citrus.




OF SOUTHERN AFRICA

# Northern Cape

***Jack De Wee, co-director of Rekopane Estates and chairman of the Lorethabetse Trust, Gert Cloete, general manager of Summerdown and a beneficiary of the Lorethabetse Trust and Peu Bezuidenhout, owner of Naftali Farm in Star Ruby orchards at Rekopane Estates.***



## Rekopane Estates

### Dyasonsklip, Northern Cape

Rekopane Estates is a table grape and citrus farm situated on the Northern Bank of the Orange River at Dyasonsklip several kilometers west of Upington. This empowerment project was established in November 2005 when the owner of Naftali Farm Peu Bezuidenhout sold a 25% ownership in Rekopane Estates to the Loretlhabetse Trust. The 65 farm workers from Naftali Estate who are the beneficiaries of the Loretlhabetse Trust bought the share in the 523ha Rekopane Estates farm by combining individual LRAD grants from the Department of Land Affairs

The farm is run in a partnership between these two groups. Rekopane means "we have come together" and in the six years since the establishment of this partnership their working relationship has been tempered by tough economic times as well as the co-operation of a large group of beneficiaries with varying and sometimes unrealistic expectations.

Jack de Wee, co-director of Rekopane Estates and the chairman of the Lorethabetse Trust explains that it has taken until now to get the farm to become productive and profitable. "We hope that by the end of next season we will have a substantial profit and under the circumstances this looks likely. The farm currently has 114ha table grapes, 34ha raisin grapes and 8ha wine grapes. It also has the potential for further expansion and there is a further 50ha available for grape expansion and 60ha available for citrus expansion."

"If it were not for Peu Bezuidenhout's financial support this project would have gone under in the last few years and most of the beneficiaries including me have a great appreciation for what Peu Bezuidenhout has done for us," stresses Jack. "During the past few years Rekopane Estates has been affected by floods as well as hail and he has been there to help us through this. This has been taxing for his business that has suffered the same damages and despite this he is still making this work for us.

"We have done a lot of training in order to empower our beneficiaries to understand the benefits and responsibilities of ownership and also what the significance of equity ownership is. About two thirds of the beneficiaries see the value of the project and are grateful for the opportunities. Since the launch for the project the value of the property has doubled. We have also expanded the production by 50%. Every year we pay the beneficiaries of the trust a payment of 2% to 3% of their initial investment. This is separate to the usual salaries and bonuses.

"Of course not everybody sees this and there have been challenges from a few of the beneficiaries for whom the delay in financial gains has been a stumbling block. As the chairman of the trust I have to answer questions about the business and as Rekopane Estates has an open book policy, this makes it easier to communicate with beneficiaries and answer their queries."

Capespan had supported Rekopane Estates to some extent since its establishment and marketed their fruit but that was terminated last year. "This year I had to look for alternative financial support and we received financing from the Barak Fund. We are currently arranging funding from Khula Bank and then we will no longer be bound to an exporter," explained Peu Bezuidenhout. "I simply refuse to let this project fail. I have always believed in the project's success and the commitment that I see to the project from most of the beneficiaries strengthens my resolve."

Although much for the Rekopane Estates is planted under vineyards the farm planted 8ha of Star Ruby in 2004 and followed this in 2009 with a further 2ha of grapefruit. The citrus was planted to extend the harvest season and to employ the labour force for a longer period. Now the farm's busy period starts in September with grape harvest preparation and continues to the raisin and wine harvest in late summer and on to the pecan nuts and citrus in Autumn and early winter.

"Last year was our third year of harvest and we harvested 65 tonnes per hectare. We are happy with our productions and hope this will increase as the trees mature further," says Peu. He explained that a big stumbling block to the expansion of citrus production in the Northern Cape region is that there is no big co-operative packhouse that can pack the volumes produced here to USA market specifications. The advantage that citrus production has in the Northern Cape is that this region is citrus black spot free and thus able to export to the USA. To now Rekopane Estates has transported their fruit to Citrusdal for packing there but the Department of Agriculture no longer allows the transport of fruit to another province for packaging. This is affecting producers as the cost of establishing a packhouse is prohibitive and this new ruling will inhibit the expansion of citrus in the region.

Jack de Wee is from the nearby town of Keimoes and is a builder by trade. "My association with Naftali Farm started in 1986 when I started building various buildings on the farm. My

increasing involvement here over time led to my employment. I am not closely involved in the production side but more with the planning, layout and planting process of new developments as well as the maintenance of the farm. Since I started working on the farm I have built a house here on the property and live on the farm with my family.

"I never thought that I would have shareholding in a company like this. This is not just for me but for my kids as well. We are now poised to start making a profit and look forward to that. In agriculture one can never be sure of future prospects as nature has the last word!"

Gert Cloete is a beneficiary of the Lorethabetse Trust. He was the production manager at Naftali and in 2010 he was promoted to general manager of Summerdown, one of the Rekopane production units. Summerdown has a 45ha grape division and 10ha of citrus.

"This has been a new challenge for me as I now manage the entire operation including the packhouse and personnel," says Gert. "We have 22 permanent employees but during the harvest there are 370 employees. I have recently learned about citrus production. In 2011 I travelled to the UK with a SATI delegation and as a result we were able to establish two lucrative new supermarket supply programmes for Rekopane Estates. While I was there I took the time to see what type of citrus is popular with consumers there and we seem to be on the right track with our Star Ruby grapefruit."

Forced to leave school after Standard 2 (Grade 4) and spend more than a decade as a goatherd, Gert is an inspiration in personal empowerment. "As beneficiaries we really are excited about the future of Rekopane Estates. I never dreamed that I would be where I am and count myself truly blessed. When I was a youngster I thought that I would grow old walking behind a herd of goats."

# Mosplaas Citrus

**Kakamas, Northern Cape**

**The Karsten Mosplaas Citrus farm is on the eastern outskirts of Kakamas and this massive new citrus development certainly has placed citrus on the map in this traditional grape production area. The total size of Mosplaas is 788 ha and the planted area is 400ha in total, 386ha citrus and 12ha table grapes. The farm is now planted to the full planting capacity.**



The project has three shareholders. Karsten holds 51%, the IDC (Industrial Development Corporation) holds 23.9% and Mosplaas Permanent Workers' Trust owns 25.1%. The Mosplaas Permanent Workers' Trust is the shareholder not the individual workers and the trust has a loan from the European Union whichand this was facilitated through the IDC. All permanently employed workers with PDI status are beneficiaries in the Workers' Trust while they are employed on the farm. There are currently 23 trustees but this will increase to around 70 as the farm will need to employ more permanent people once the trees start producing.

Mosplaas Citrus is next to Kromhout Boerdery, a Karsten table grape production unit. This farm was bought in 2006 and at the time of purchase there was 50ha of citrus on the farm consisting of Star Ruby Grapefruit, Eureka lemons and Delta Valencias. The addition of this farm to the Karsten Group led to the planning of Mosplaas Citrus which was started in 2006. Dewalt Viviers came to Mosplaas in 2008 and is the farm manager at Mosplaas Citrus. He has a strong background in citrus production after many years working in citrus production in Citrusdal.

"The big development at Mosplaas started in 2008 when we started debushing the ground to be planted" says Dewalt. "Most of the permanent employees started here in 2008 and now that we have passed the hectic planting period we are assessing and training our employees in order to place them in differentiated roles. This is a huge project and once we start producing we will need all the good people we can get!

Mercia Mothelesi is a 23-year-old permanent employee at Mosplaas and a trustee of the Mosplaas Permanent Workers' Trust. She is from Kakamas and has been working as a permanent employee at Mosplaas for three3 years. "I am the assistant to one of the production managers. Mosplaas has 400 ha and this is divided between 2 production managers who are each responsible for 200ha. My responsibilities are wages, general personnel administration as well as admin surrounding disciplinary procedures. I am a trustee of our trust and really never thought I would have this kind of exposure and responsibility. I take this seriously and feel confident that I will be able to do what is required of me for this position. We are really all very excited about the shareholding that we have in the farm."

David Magano is a trustee of the Mosplaas Permanent Employees' Trust and has been a permanent employee at Mosplaas Citrus for three years. He is also 23 and originally from Hoopstad in the Free State and lives

***Dewalt Viviers, Citrus Production Manager a Mosplaas Citrus, Mercia Mothelesi and David Magano, trustees of the Mosplaas Permanent Workers' Trust.***

on Mosplaas. David is currently doing a leadership training and personnel management course through the Karsten Training Centre. He has also completed pest and disease scouting training and is learning to operate one of the two massive fertigation pumping systems on the farm.

"My job as a trustee is to attend the meetings, make sure I understand the information presented and then to ensure that I give feedback to the beneficiaries of exactly what is happening with the business," says David.

These two youngsters have been elected as trustees by the other beneficiaries because they are open-minded and their fellow trustees have confidence in them. They have just started their term as trustees and have been in position for two months of their two year term.

"The decision was taken to develop a large citrus project to extend the production and labour season beyond the grape season, explained Dewalt. "The farm has planted a total of 386ha of citrus. We had to source our trees from black spot free nurseries and got them from nurseries in Citrusdal and Hartswater. Our orders were so large that we needed to spread the order over three nurseries to be able to order enough trees for our needs. Fortunately for us, a new citrus nursery opened in Kakamas in 2009.

"At the time we were planning to plant there was a boom in new citrus cultivars and we did not have much experience or information on which cultivars to plant in our area. We planned the cultivar spectrum with Citrogold and Ballie Wahl, a legend in the South African citrus industry. Pigmented grapefruit will represent about 40% of the production and this includes varieties such as Star Ruby, Nel Ruby and Flamingo. Valencia cultivars will include Alpha, Bennie and Lavalle. We also did get a quota of Nadorcott Late Mandarins from Citrogold and have planted 35ha of Nadorcott, 45ha of the Mor Late Mandarin and also 25hha of Valley Gold (B17) Late Mandarin. We are also planting 25ha of Glen Ora Late navels and are busy regrafting the original Delta Valencias to Nuwelande Late Nawels. The Delta Valencias have proved unsuccessful in this area.

"The citrus packing facilities in the Northern Cape are limited and although we have transported some fruit to the Western Cape for packing, it's not a long term solution. We will therefore need to build a big packhouse in order to pack our own fruit. We are planning the packhouse to be operational for the 2013 season and are in the process of applying for a grant from the Jobs Fund within the Development Bank of South Africa to build this packhouse."

The young trees at Mosplaas look healthy and full of promise. When this massive project starts producing, it will contribute a significant volume of citrus to the rapidly expanding Northern Cape Production region. The workers' trust representing the employees will finally own 25,9% of the business. It is part of the Karsten Group's philosophy to empower its people through shareholding and by doing so, establishing long term successful agri-businesses.

# Berekisanang Empowerment Project

**Kakamas, Northern Cape**

***Berekisanang management and shareholders are excited to see the first earthworks underway for this massive project. Christiaan Blignaut, General Manager of Berekisanang, Moses Pule, trustee of the Berekisanang Empowerment Trust, Adri Van Niekerk, Area Manager for Afrifresh Farms, Christa van Rooi, trustee of the Berekisanang Empowerment Trust and Beyers Eksteen, MD of Galactic Deals.***



**On the arid land adjoining the Northern Bank of the Orange River at Kakamas the first earthworks have commenced on a massive citrus and grape empowerment project. The Berekisanang "We Work Together" Empowerment Farm (Pty) Ltd. project plans to develop 500ha of orchards and vineyards in the next five years. The Berekisanang Workers' Trust own a 14.8% shareholding of this huge project through their contribution of 500ha of water rights (valued at R30 000 per hectare) made available by government for empowerment projects.**

The project has four shareholders:

- Galactic Deals has a 47.1% shareholding and Afrifresh has shareholding in Galactic Deals
- The Industrial Development Corporation (IDC) has a 19.7% share
- The Berekisanang Empowerment Trust has a 14.8% share and
- The IDC warehousing Risk Capital Facility (RCF) has an 18.4% share which the IDC will warehouse for the Berekisanang Workers' Trust in the interim.

In the future it might also be possible that the Berekisanang Workers' Trust could buy additional shares in Berekisanang Empowerment Farm (Pty) Ltd.

Galactic Deals owns a Table Grape Farm and is subdividing 910 ha of virgin land off the existing farm for the Berekisanang Empowerment Farm. At the same time Galactic Deals is also establishing a large new operation of 80ha Table Grapes under the expertise of Mr Callie de Jager, General Manager Galactic Deals.

"This is a massive project and the infrastructure will be developed on a truly vast scale," explained Beyers Eksteen, Managing Director of Galactic Deals. His words certainly ring true as we stand on the development site and the bare land earmarked for the development extends almost as far as the eye can see in all directions. "In the last month we have started laying the pipeline which is a pipe with a diameter of 800mm and the total length of the pipeline will be 3.5km long. We have also started building the farm's dam which will hold 107 000 cubic meters of water," he explains by way of illustration.

***The first earthworks underway at Berekisanang. This is looking south with the Orange River's green banks visible in the distance.***

The development plan for the project is to establish 150 ha of citrus in year one, and 100ha citrus in year two, as well as 85 ha of grapes in years two and three and 80ha grapes in year four. The fruit will be marketed primarily in export markets.

"The status of this production region as one of the few black-spot-free areas in South Africa provides a significant advantage for exports to the USA market," explains Christiaan Blignaut, General Manager of Berekisanang. "The main citrus cultivars will consist of grapefruit, lemon and valencia varieties. We will also investigate the possibility of planting soft citrus but this will depend on the climate. Thorough soil preparation is very important for good root development as this is a long term investment. The first crop will only be harvested in three to four years after we start planting."

The Berekisanang Empowerment Trust (BET) was formed as a result of the project initiative and there are currently 40 trustees. Originally there were 45 trustees but five have left during the past two years. The trust was formed by the interested farm workers when the project planning started. Most of the beneficiaries are permanent employees on the farm and the rest are regular seasonal workers. It will also be possible for other trustees to join the trust at a later stage at the discretion of the trust.

Christa van Rooi is a trustee of the BET and has been employed at Wolwehoek Farm for eleven years. "We have been involved in the project from the beginning. The trust beneficiaries were selected from the workers on the Galactic Deals farm. We are excited about the project and although it has taken a long time to get to this point we now see things starting to happen and we see this dream just starting to become a reality. This will mean a great deal to me and my children in years to come. We will have to look after the interests of the trust and will have to help with the sourcing of the labour for this big undertaking."

Moses Pule is also a trustee of the BET. He is originally from Kuruman but has been a permanent worker on the farm for nine years. "We are now finally seeing some things happening and it is our job as trustees to make sure that the information that we hear about the project is communicated to our fellow beneficiaries," explained Moses.

"The project was initiated two years ago but finalizing the water rights has held the project up. All our environmental impact assessments have been completed and we are excited as we have recently started breaking ground," said Adri van Niekerk, Area Manager for Afrifresh Farms. "One of our biggest challenges is the lack of current electrical infrastructure from Eskom. They are assisting us by building a bulk supply line to the border of the farm from where we will use contractors to build the rest of the infrastructure on the farm. Another problem is the subdivision of land that we have bought from a neighbour to form part of the project. The subdivision and consolidation of the land is a time-consuming process with all the regulatory requirements and permissions needed from different departments. This has had a knock-on effect on the roll-out of the project and the flow of capital from our investors. However, overcoming barriers is part of the challenge of this project and we are excited that we have now made a tangible start to this incredible project," she concluded.

Besides the financial benefits that the project will provide for the beneficiaries of the Berekisanang Workers' Trust, the beneficiaries will have the opportunity to enhance their farming, technical and management experience and expertise. The beneficiaries and employees will also be employed for a longer period due to the different production periods of citrus and table grapes.

This project also promises to provide employment to hundreds of local people and ensure food security and the relief of poverty for a significant number of households.

*Kobus Kock, Groenheuwel citrus production manager and management trust shareholder, Sylvia Seitshegetso, Sophie Skyman, Flora Kana and Sam Kana, workers on Groenheuwel Farm and beneficiaries of the Thusano Empowerment Trust and André Spangenberg, Owner of Groenheuwel Farm.*

## Thusano Empowerment Farm

**Augrabies Northern Cape**

**Thusano means "Help Each Other" and the name is thus also a fitting description for the 150ha empowerment project which is currently being developed by Groenheuwel Farm at Augrabies. Along the Orange River there are currently extensive water right allocations reserved for land to be developed as empowerment projects and it is these water rights that have made it possible for Groenheuwel Farm to plan Thusano Empowerment Project.**

"Lack of water is a limiting factor for agricultural expansion and particularly so in this arid region," explained André Spangenberg, owner of Groenheuwel Boerdery. "The availability of these water rights will soon make it possible for us to extend the farming operation as well as to provide workers on the farm with meaningful empowerment and equity, a long-held dream of mine."

André Spangenberg grew up on a farm in the area and has been farming near Augrabies for around 30 years and had seen tough times through the decades. He explained that when he started farming it was with wine grapes, raisins and annual crops such as cotton, peas and lucerne. This was before table grapes were introduced to the area. Between his three farms, (Groenheuwel, Hoogland and Wydkyk) André currently has approximately 120ha grapes, 80ha citrus and 15ha pomegranates under production.

"The people who are involved with the project are very excited and they keep asking how things are progressing," says Sam Kana who is a leader amongst the people who work on the farm and is most likely to be the Chairman of the Trust once this is properly established. Sam Kana and his wife Flora are beneficiaries of the Thusano Empowerment Trust. They are originally from Kuruman, some 370km from Augrabies and they have been employed by Andre Spangenberg for many years.

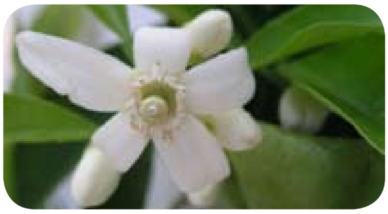
"André has always cared for his workforce and we do not have any labour problems here. He is strict about the quality of work he expects but always treats the workers well. This was part of what convinced me to leave my job as a driver for a transport company many years ago and to commit myself to working here. I have since built myself an eight bedroom house in Kuruman with my income and I am still very happy here. The new Thusano project is something we are all looking forward to with positive hopes for the future," explained Sam.

The Thusano Empowerment project concept was initiated in 2010 and the plan is to develop 150ha of citrus. The project is in the final planning stage, awaiting some final approvals before development can begin. The land for the development, which borders on Groenheuwel Farm, was bought by André for this purpose. The shareholding is held by three entities as follows: the Thusano Workers' Trust 30%, the Management Trust 19% and Groenheuwel Trust 51%. The Thusano Workers' Trust consists of 29 people and their contribution to the business is the 150ha water rights that they are entitled to from the government. The current value of water rights in the area is R30 000 per hectare so the total value of this contribution is R4.5 million. In order to limit the numbers, workers that had been employed for 10 years qualified to be part of the project. The structure of the trust is that the value of the shareholding will form part of the beneficiaries' estates.

In the orchards we met Flora Kana (Sam's wife), Sophie Skyman and Sylvia Seitshegetso. Flora and Sophie have been employed here since 1983 and Sylvia since 2000. They explained that their families all still lived in the Kuruman region and they returned there for only a few weeks each year. "We are excited about the Thusano Project as this most unexpected opportunity for us will make it possible for us to provide something for our children's futures," explained Flora Kana.

Sam Kana is a personnel manager at Groenheuwel and during the busy season he has 300 people reporting to him. The workers are mostly from Vryburg and Kuruman and before the harvest season starts it is Sam's job to procure a team of workers for the season which runs from September to January. Sam explained that many people return year after year and sometimes they get in some new workers. Many of the people are members of the ZCC (Zion Christian Church) and they have found that this generally ensures better workers with fewer social problems. As part of the farm's social support, for many years André has provided a truck to transport workers who are members of the Zion Christian Church to the church's annual Easter mass gathering at Moria in Limpopo Province, a 2500km round trip.

The Management Trust owns 19% of the share in the Thusano Project. The Management Trust consists of six specified white management staff and their contribution is their skill and commitment. "The idea behind this is that this project will have the capacity to continue one day when I am no longer directly involved," explains André. "This has been included to ensure the long-term success of the project and provides management with a vested interest in the project's successful establishment and maintenance."



Kobus Kock is the citrus production manager at Groenheuwel and is a shareholder in the Management Trust. "I have been in this position for four years and certainly plan to stay. The Thusano project is exciting as it provides opportunities for growth, job and wealth creation for the workforce and management. We are eager to get going with the project."

Although this area is known primarily as a table grape production region, André has been growing citrus for 12 years and was one for the first growers in the area to start farming with citrus. All the citrus produced on the farm is organically produced. They have found that late navels are not very successful in the region's climate as there are not sufficient cold units to colour the fruit and thus they plan to plant more Valencia types in the future.

André explained that the motivation to plant citrus was to keep the workers employed for a longer period. The farm requires seasonal labour for the grape harvest preparation and harvest from September to December. This is followed by the raisin harvest in January, wine grape harvest in late February and March and then by April they start preparing and harvesting the citrus. "The citrus orchards on the farm have created up to 100 jobs for people during the area's traditional low season and in June the farm provides work for a further 50 to 60 people for the citrus harvest. During the past 3 years many people from the Kuruman area have lost jobs in the mining industry and many of these people are working on farms in this area now," concluded André.


# Zwartbooisberg

**Kakamas, Northern Cape**

**Corporate Social Responsibility**

**Zwartbooisberg is the farm of Northern Cape (Orange River) CGA Director Jannie Spangenberg and his wife Santa. It is set amongst the dramatic red hills north-east of Kakamas and produces grapes and citrus. The Spangenbergs also mine and export the beautiful rose quartz found in the area.**

“Although it is part of our future business development plan to buy a neighbouring farm and to develop this as a BEE farm for our workers, we do not currently have an empowerment ownership project on the farm yet,” explains Santa Spangenberg. “We have however been accredited according to BBBEE (Broad Based Black Economic Empowerment) compliance, verifications and requirements under the new legislation. The legislation provides for various scorecard compliance components and we have established our BBBEE status through our corporate social responsibility on the farm. This process was completed for us by the professional legal and service provider to businesses SEESA. For the process they visited the farm and reviewed our farm’s operation thoroughly and the farm received Agri BEE charter points as a result of our corporate social responsibility activities.

“I must stress that what we do is for our people and comes from the heart. It is not window dressing for other purposes and has been in place since before the BEE legislation. We have a crèche on the farm where we take care of our workers’ children. We feed them, clean them and keep them safe while their parents are at work. We also have a religious and spiritual support team of the pastor and his wife who do religious instruction and guidance on the farm on a daily basis.

“We have three youngsters who have grown up on the farm and whose parents work here who have completed or are continuing with their tertiary education through financial assistance from the farm. The first student that we sponsored has recently graduated as a teacher and we have employed her as a teacher in our nursery school. A second young woman is training to be a teacher and a third is studying nursing in Bloemfontein.


"We ensure that the children have access and transport to schools in the area. We have sports teams on the farm and from time to time they travel long distances to compete. Last week our soccer team travelled to Vryburg for a match and the farm funds this travel.

"Our farming enterprise consists of four farms together. We pool our produce and export our fruit together. The fruit is sold under the OREX and Mountain Fruit brands. Our children are part of the business and in time they will take over the business from us.

"The farm has approximately 120ha grapes and 120ha citrus. Out of season we have 150 to 180 permanent workers and during harvest this figure is much higher of course. We are planning to build more houses on the farms as it is getting very expensive to bus people in from other places. This will make it possible for people to stay on the farm during the entire week during packing season. This is also more convenient for the workers as they spend less time travelling and their children can attend school by bus from here.

"We have both grapes and citrus on the farm and the citrus orchards make it possible for us to extend our production season. We have Star Ruby grapefruit, Valencias and Eureka lemons and all our citrus is produced organically. Our lemon trees are 13 years old and we were some of the first farms to plant citrus along the lower Orange River. We have been growing our citrus organically since from the start and have maintained organic production throughout. Despite the efforts and lower yield received as a result of organic production, we are not receiving any premium for the organic production. We are struggling to find good markets for our Star Ruby grapefruit and do not plan to expand citrus production, focussing on Pecan nuts for the future instead.


"We do still do receive the benefit of organic production is from the manufacture of organic citrus oil for cosmetics. We transport fruit that is not sold for fresh consumption to Mzondo Oil near Kirkwood in the Eastern Cape. This company manufactures citrus oil for the cosmetics industry and the demand is for organically produced oil. Despite the cost of the transport over this huge distance, this is still profitable.

"My stone business has proved to be a great diversification as we use this to support and supplement our income from the fruit business. We have our own rose quartz mine on the farm and to complement this, I buy semi precious stone from the region as raw material and we sell this to the Chinese market.

"I believe there is a good future for all of our country's people here in South Africa. I do not want to leave my homeland and believe that together we can make it work for us."

# CGA Engagement with Government

## Department of Rural Development and Land Affairs

**Recapitalization and Development Programme**
Experience indicates that it is fruitless to embark on land redistribution without concurrently taking measures to improve access to farmer support services. The Recapitalization and Development Programme (RADP) will apply to past and future land transactions and includes all categories of property acquired and still to be acquired for land reform purposes including state and public land such as commonages. In addition it will apply to farms in distress acquired by black farmers outside of the land reform programme. This is in fulfillment of the Department of Rural Development and Land Affairs' new mandate.

- Graduate small-scale (black) farmers into fully- fledge commercial farmers
- And food security

The main objectives of the programme are as follow :

- To increase production
- To guarantee food security
- To graduate small farmers
- To create employment opportunities within the agricultural sector and
- To establish rural development rangers

The Citrus Growers' Development Chamber has engaged with the office of the Minister of the Department of Rural Development and Land Reform on this programme to ensure that all the land reform citrus projects benefits from this programme. The outcome of this was that the CGA Transformation Desk was mandated to compile a comprehensive database for all the regions and submit this to the Department. In this database projects/farms were also categorised according to the urgency of their need to benefit from this programme. The database has been submitted and the CGA/CGDC is awaiting responses from the the Department within the various citrus producing provinces.

## National Department of Agriculture, Forestry and Fisheries:

**CGA, CRI and the Citrus Academy have approached the National Department of Agriculture, Forestry and Fisheries Directorate Education Training and Extension Services to present to them their Citrus Extension Learning Programme Model in order to assist provincial extension officers to become citrus specialists. The objectives of the Citrus Extension Learning Programme are to:**

- Provide a tool through which extension officers are able to develop their skills in and knowledge of citrus production, in order to equip and enable them to provide technical support and advice to citrus growers.
- Address the particular challenges that hamper the implementation of existing classroom-based learning programmes, including time constraints, geographical dispersal, differences in provincial extension structures, and varying levels of existing skills, knowledge and experience.
- Encourage extension officers to make use of learning opportunities and knowledge resources within their working environments.

The group that are targeted by this programme are particularly extension officers that are involved in or are required to be involved in providing technical support and advice to citrus growers and packhouses, in all citrus-growing regions in Southern Africa.

# Parliamentary Committee Representation

During 2010 CGA was invited to Parliament by the Portfolio Committee on Agriculture to a public hearing on Transformation within the Agricultural Sector. The purpose of this public hearing was that the portfolio committee wanted to know the initiatives of the commodity organisation, agricultural state owned businesses and also how to improve service delivery to support all emerging farmers.

The outcome of that was that the portfolio committee will compile a report with all the recommendations that were made to improve the situation and ensure that all stakeholders involved are working together to ensure proper support to all emerging famers in the country.

*Citrus Growers' Development Chamber Chairperson Mzo Makhanya and CGA Transformation Manager Lukhanyo Nkombisa attend the public hearing on Transformation in Agriculture in Parliament*



## Industry Engagement

During 2011 the CGA Transformation team met with the Fresh Produce Exporters' Forum (FPEF). The purpose of the meeting was part of the initiative by FPEF that proposes that developing growers form part of FPEF and Emerging Producers-Export. The objectives of this initiative are to assist the emerging growers in finding an uncontroversial market channel in which their fruit can be successfully placed for export.

The Transformation Manager continues to carry forward this initiative. He has also communicated this to the Citrus Growers' Development Chamber and growers who are interested can become involved in this initiative.

## Emerging Grower Database

In 2008 CGA and the Citrus Academy collected information to develop a database of emerging citrus farmers in South Africa.

The purpose of the initiative was to enable the CGA to identify areas in which BEE enterprises experience specific challenges. It is also to provide general statistics on transformation in the industry to interested parties and to provide specific information to organisations that are in a position to assist BEE enterprises.

The information in the database was recently updated and expanded and this is proving very helpful in assisting emerging growers and monitoring their performance.

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*CGA Transformation Manager Lukhanyo Nkombisa and CRI Extension Officer Melton Mulaudzi at Augrabies Falls, Northern Cape (left) and with 52-year-old Washington navels in Citrusdal, Western Cape (right).*

## Author's Note

**Experiencing very real and successful transformation in the citrus industry first-hand has been both an inspiration and a privilege. I would like to thank the Transformation Desk at CGA for entrusting me with this remarkable assignment.**

This publication is a supplement to the Fruits of Success 2011 publication and focuses on the oldest and newest citrus production regions in South Africa, the Western Cape and Northern Cape respectively.

During the trips to both these regions I traveled with CGA Transformation Manager Lukhanyo Nkombisa and CRI Extension Officer Melton Mulaudzi. This provided the opportunity to observe the services offered by the CGA Transformation Desk and the CRI extension services in action. I also experienced the appreciation from growers for these valuable services. This was indeed interesting and an eye-opener to see the full extent to the transformation portfolio's activities.

Thanks also to Lukhanyo Nkombisa and Gloria Weare of CGA for their sub-editing and insightful guidance in compiling the publication.

*Louise Brodie is a freelance journalist and photographer who reports on the South African Fresh Produce Sector for South African and international publications. This is her fifth publication commissioned by CGA.*