



HORTGRO

Growing Fruit IQ



New Roots

an industry in transition

Volume 5 - May 2024

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- A decorative graphic on the right side of the table of contents, featuring a stylized white apple shape and a white branch with leaves and fruit, set against a background of a seedling tray.
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The Root Map

Run towards challenges... together!

Foreword by Elise-Marie Steenkamp,
Hortgro Communications Group Manager

Farming is not for everyone. Even though we all, probably, have a fantasy of a small piece of land somewhere with a thorn tree, chickens, a goat, mealies, and some fruit trees ...

But to succeed in farming, specifically fruit growing, you need tough people with buckets full of perseverance, technical skills, resilience, faith and above all a positive mind-set.

Fruit farming is a complex and technical business with high input costs that will only bring a return on investment (maybe) in five to seven years after orchard establishment.

Now let's throw transformation in the mix. Specifically, within the South African context you have a "potjie" that needs careful monitoring, nurturing and patience.

The Cambridge Dictionary defines transformation as "A marked change in form, nature, or appearance, especially so that the thing or person is improved".

In a 2019 NAMC report about transformation, the then Deputy-Minister of the Department of Agriculture and Fisheries, Sfiso Buthelezi, said: "The primary objective of transformation



in agriculture is to elevate previously disadvantaged people (focus on youth and women) into management and land ownership positions or both, in respect of economically viable land for cultivation. A dual agricultural sector constitutes a bad stigma for the sector. The public is not well informed about the strides the sector is making."

Five years have passed, and the need for transformation in the agri sector is stronger than ever. Agriculture has huge potential to change the economic landscape, alleviate poverty, and improve thousands of South African lives. Not to mention the potential to attract foreign earnings, improve sector growth, and ensure food security/safety.

South Africa is blessed with vast landscapes, abundant sunshine, fertile soil, and people who love the land. We must find a way to make transformation work. We need to improve collaboration between government and industry. We simply need to work together more.

**How can we achieve
this dream?
By running towards the
challenges ... together.**

Together, you and I, commodity organisations, the agri sector and its role players, parastatals, and the government, should tackle limited productivity, lack of investment, poorly maintained infrastructure, climate change, and access to extension services/technology.

We should provide equal access to opportunities and resources to all South Africans regardless of gender, race, or religion.

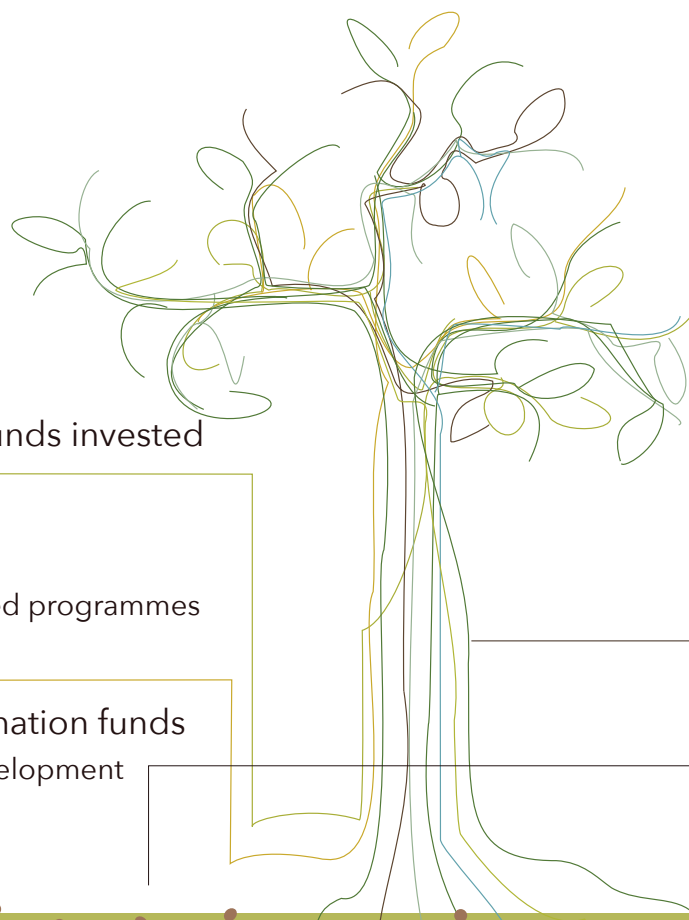
We owe it to our children.

Industry Transformation Vision:

The development of appropriate industry strategies and management of industry-led support programmes to meaningfully contribute to a globally competitive, equitable, unified and economically transformed deciduous fruit industry.

Inspiring Inclusive Growth

Value of new orchards are R8,12 billion



R491,6 million industry funds invested

R325,9 million invested
through government facilitated programmes

87% of industry transformation funds
channelled for economic development

90% success rate
throughout all projects

3713 new jobs created

855 ha established

Hortgro's Commitment to Transformation Initiatives

Statutory levies and Public-Private-Partnerships
Transformation initiatives refocused from training, welfare
and skills development to economic development and
support programmes.

Transformation requires team effort

Transformation in the agricultural sphere is a well-known minefield. Over the past couple of years, commodity groups started taking hands. Learning from one another's mistakes and duplicating successes. This collaboration has led to problem-solving and innovation, thereby challenging agri transformation's notorious languidness.

At the recent Fruit SA Transformation Showcase, industry transformation players again affirmed the value of learning from one another and working together.

According to Fruit SA, it is not likely for transformation efforts to be taken seriously if they lack measurable targets and notable proof of economic development.

In its second showcase, Fruit SA partnered with Hortgro (pome- and stone-fruit subsector) and SATI (table-grape subsector) to welcome invited government representatives and industry stakeholders to witness first-hand the progress made on Siyazama Klipland Farm and Roode Zand Farm Holdings in De Doorns, as well as Dwarsberg Farming in Ceres.



The fruit industry associations continue to pursue targets for sustainable transformation, guided by a shared vision. The industry goal is to have a fully transformed sector by 2038 with Black Economic Empowerment (BEE) growers contributing 30% of fruit production, 30% of exports, and constituting 15% of ownership across the value chain.

In 2021 the number of fruit farm hectares under black ownership increased from 24 435 to 32 521 in 2022, whilst the number of hectares under fruit production by black growers increased from 16 077 to 16 346 in 2022 (up 1.7%). As for production, a 55.2% increase was recorded in the volume of fruit produced by black growers, from 362 893 tonnes in 2021 to 563 384 in 2022.

Black growers also achieved a 25% increase in exports, from 183 526 tonnes in 2021 to 229 439 in 2022.

Fruit SA CEO, Fhumulani Ratshitanga, said that the task of transformation cannot be assigned to one party alone and requires collaboration by all relevant stakeholders, and more critically, government. **“All enterprises we visited highlighted the collaboration of commodity associations and the Western Cape Department of Agriculture as one of the critical success factors in their businesses. This clearly demonstrates that through effective coordination and collaboration, success is not out of reach for most of the emerging fruit industry ventures.”**

FPEF Transformation Manager, Johannes Brand, said that when it comes to effective transformation in the agricultural sector, there are significant inherent barriers to entry and sustainable transformation cannot be “fast tracked”. “I believe sustainable



From left to right: (back row) Lennox Plaatjies, Wilton September, Cynthia Mahlathi, Stephen Mantsho, Johannes Brand, Lukhanyo Nkombisa, (front row) Nomonde Ntloko, Fhumulani Ratshitanga

transformation can only be achieved by long term, holistic interventions that address all the barriers to entry. This requires a collaborative approach with multiple role players both in government and the private sector.

“Key blockages which can only be addressed by the government include land tenure and water. Other aspects such as access to capital, technical and business skills and market access can be supported by both the private and public sector in collaboration.”

According to Brand the FIVCRT (Fruit Industry Value Chain Round Table) Transformation Working Group is a great example of a public-private collaborative approach to transformation. “The sharing of transformation wins between fruit commodity organisations under Fruit South Africa (Hortgro, CGA, SATI, Subtrop, Berries ZA & FPEF) in the working group has undoubtedly benefitted all the commodity organisations and I have no doubt we have achieved more together than we would have in isolation,” Brand said.

The SATI's transformation manager, Wilton September, said that they believed in collaboration “because we (farmer, commodity organisations, government, private sector) have a common goal, to put SA as the preferred supplier of our fruit basket, globally”.

“Therefore, if we want to compete internationally, partnerships are of utmost importance to produce and market our product. We all have different approaches, skills, knowledge, other resources and learn from each other. Sharing of resources (human capacity and funds) and designing collective support schemes to our first-generation farmers will take us much further,” September added.

“The development of black growers isn't just about figures and statistics. It is about strengthening a sense of ownership and inclusion within the agricultural wider sector.” - Lukhanyo Nkombisa, Managing Director of the Citrus Grower Development Company



The snowball effect of transformation



In 2018 Liza Ambraal, then a worker on Loxtonia Farm in the Ceres district was suddenly overwhelmed with empty nest syndrome. With all the kids out on their own, her days suddenly felt far too long. She was wondering what she was going to do with all that extra time in hand.

Be careful what you wish for, reckons the old adage, but her wish did come true when Dwarsberg Farming entered her life. She was one of the initial 10 trustees owning 51% of the farming company Dwarsberg Operational and Oast Farm owning the remaining 49%. She was also the only woman on the board of trustees. But she has learnt long ago already how to stand tall in a man's world.

If you make sure you know more and work harder, you'll earn what is most important. Respect.

The structure was set up by Witzenberg PALS. Their legal advice, mentorship and training was key to this successful land reform initiative. Their dedication to the cause and help to acquire funding made the difference. Together with the mentorship from Oast Farm, these three partners overcame all the hurdles standing in their way of becoming a productive new generation farm. From compliance with stringent Global GAP and SIZA standards to getting financial resources for infrastructure development constantly challenging them.

However, strategic collaboration with their partners and industry specialists, along with mentorship and training as well as financial grants from CASP and loans from Hortfin and Oast Farm gave them the courage to overcome the challenges.



"We still have a long, long road ahead of us, but after about six years we have already achieved something," Liza said. "Yet, for me, personally, the success of Dwarsberg thus far, made my biggest wish ever come true."

This goes back to when Liza went to high school and had her first ever guidance class. To get the ball rolling, the teacher asked the learners to each express their biggest dream ever. When it was Liza's turn, she didn't think twice and told the class that her biggest dream is to one day go to Switzerland (maybe Heidi had some influence here?) and stand in the snow. For almost all of her life she knew that was an incredible dream. But a dream, nevertheless.

Yet, because of her hard work for Dwarsberg Farming she was chosen to go to Berlin's Fruit Logistica in 2023. And Berlin is a heck of a lot closer to Switzerland than Ceres. In fact, as her luck would have it, the flight from Cape Town was to Zurich where they got a connection to Berlin. From the air already she saw Switzerland, covered in snow. Pure white wherever she looked. Although it wasn't Christmas yet, she was happy. Happy to be part of a black empowerment farm project that made her childhood dream a reality.

Just as Dwarsberg Farming is now a reality.

Where empowerment runs in your veins

Bronaar is an agri-business company rooted in community values. It originated from the farm Boplaas in the Koue Bokkeveld, home to the Van der Merwe family for more than 200 years.

“My father played a strong role in the culture of the business, empowerment and development, and we are following those traditions.”

Hendrien van der Merwe, the Bronaar CFO is part of the team that continues to pursue a vision of nurturing their community and growing opportunities.

Bronaar's upliftment journey started long before Hendrien and Fanie, her brother and MD formed part of the operations team. Her father, Hauptfleisch van der Merwe, was an advocate for rural education and upliftment and involved with the Rural Foundation for many years.



The year 2007 saw the launch of the Themba Trust, a form of economic empowerment where the beneficiaries, Bronaar employees, became shareholders of the core business. At that stage approximately 150 beneficiaries were identified to form part of the trust. Over time the number of beneficiaries decreased and received pay-outs. Currently 40 individuals are part of the trust.

“We want to include more, because it is good to have people with a passion for the business to gain from the profit of the business,” Hendrien explains.

Initially, a third of the core business was sold to the trust, but it became apparent that the trust was accruing debt to make payments. This was not a sustainable solution, so within three years the trust sold 5% of the core business back to the Bronaar group and all debt was settled. The trust retained 28% of the core business and has been receiving yearly dividends.

To relieve financial strain caused by the risk and uncertainties that go along with agriculture, the valuation method policy was later changed to an income-based method. This means that the beneficiaries only share in the profit of the business.

The year 2007 not only saw the start of the Themba Trust but also an initiative that changed the educational opportunities of at least 45 young people by way of the Bronaar Stigting Trust. Bronaar provides financial assistance for tertiary studies to the children of their employees. Empowerment ...

Yet, the company's commitment to its workforce extends beyond economic empowerment and education. They have a history of offering internships to cultivate leadership and promotional opportunities for black employees. This initiative has seen significant success in recent years, with plans to continue. Bronaar does more than produce quality fruit and onions, it is a community of passionate leaders and learners. In fact, it is more like a family with members looking after each other. For the next 200 years.



Fruit Logistica report

Fruit Logistica in Berlin is the world's leading show for fresh produce and takes place every year in February. This year, exhibitors from over 90 countries met trade visitors from 140 countries. Three of those visitors were new-generation farmers from South Africa.

Existing new-generation fruit (pome, stone and table grape) producers are nominated and selected by the industry and Western Cape Department of Agriculture. Their businesses must be at least 51% black owned and they should already export or show strong potential to do so.

New Roots spoke to Dibesho Serage from the Groundstone Group in Polokwane, Raymond Koopstad from La Vouere in Witzenberg and Daniel Damon, from DNG Enterprises in the Warm Bokkeveld.

"You cannot believe the people that come together under one roof," says Dibesho. "From many different types of fruit growers, to engineering companies specialising in irrigation, and packaging manufacturers, IP and marketing companies amongst others. We got to understand where our South African fruit is going and what our competitive advantage is. We discovered where the emerging markets are.

"We learnt that our approach to cultivar selection will now be directed by consumer preferences, especially for the markets that we are currently developing, e.g. Middle East."



**FRUIT
LOGISTICA**

The
heartbeat
of the fresh
produce business

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Berlin

“The other point we noted is the ban on many chemicals that are being used during production. This calls for an integrated pest management approach on our side to remain attractive to the market.”

“It was an absolute eye opener,” begins Raymond. “The show is big, but the sideshows with presentations was valuable. Especially effective water usage, impact of climate change, and the tempo of innovation. There were great presentations from the best agricultural universities in Europe about new technology and digitising. I also realised Europe will always be a good market for great SA products. This means as a new-generation farmer, I must focus on expansion.

“Movement to e-commerce is key. Digitising, electronics and robotics are the new way and will have an impact in SA where we rely on manual labour. Green Deal kicking off in 2025 will also have a huge effect. The focus is environmental- and bio-friendliness, steering away from toxins and chemicals.”

“At first I did not know what to expect, and upon arrival at the venue, it was something I never could have imagined,” reports Daniel.

“I was captivated by the vast impact that the fruit industry has on our global economy, the huge variety of produce, the quality, skills and passion to cultivate a product and display it to the world. As a small scale farmer from SA I felt like a tadpole swimming among the fishes, but at a later stage I realised that even tadpoles grow up.

“Thank you Western Cape Department of Agriculture for the opportunity to interact with our markets.”

From left to right:
Tanya Arendorf,
Vivian Jacobs,
Daniel Damon,
Raymond Koopstad,
John Frieslaar



Getting market-ready – SIZA style

If you want to export South African deciduous fruit, you must meet certain requirements. Whether you are a mega producer, smaller producer, or emerging producer. The legislation and standards remain the same.

One of the hurdles in producers' paths is ethical and environmental sustainability audits. For most growers, these regulations and requirements are a pebble in the shoe. Audits require a lot of time, knowledge, and input. So much more so for emerging producers who have little capacity and experience.

"Legislation is legislation," explains Ger-Mari Tesselaar, sustainability officer of the Sustainability Initiative of South Africa, better known as SIZA.

"If you don't meet the social, environmental and food safety requirements, you can't export. The aim is to measure farm practice against what is best for the environment, employees, producer and the business risks."

Emerging producers who have not previously conducted a third-party ethical or environmental audit can now get help from SIZA's capacity-building programme.



The programme started in 2016 and is led by SIZA's ethics and sustainability officers who build relationships with producers and assist them on their "compliance journey to become audit-ready and market-ready" by focusing on:

- Evaluation of management systems
- Assistance in the development and implementation of policies
- Maintaining and adhering to the SIZA standards and South African labour and environmental legislation
- Ensure producers are self-sufficient to proceed with their compliance requirements themselves once this status has been achieved.

According to Tesselaar, emerging producers often struggle with the smaller aspects of the audit process. "The devil is in the detail, and it is often the detail that emerging producers struggle with, such as comprehensive management systems. The legislation and requirements are complex, and it is not always clear what is required of the producer. Emerging producers already face many challenges and to comply with ethical requirements is often too much to ask. They often get lost in all the paperwork."

There is no shortcut, and the full

program takes about three years. Tesselaar helps emerging farmers step-by-step until they are ready for a SIZA audit and even afterwards to ensure that they maintain the programme. Audits are a continuous process of growth and improvement, and not just a one-time activity, Tesselaar believes. "It has to be part of a business' management system."

Initially, the programme focused only on social audits (ethical labour requirements), but over time the environmental component was added as required by international supermarkets.

"It is also important that the producers take ownership of the process and put effort in. The ultimate goal is for them to request a third-party audit themselves so that they can sell their products to any market, locally or internationally."

According to Tesselaar, the programme is open to any producer who is a new entrant into the agricultural sector.

"There are no restrictions on race, gender or crops."

To date, more than 50% of the emerging producers participating in the programme are from the pome- and stone-fruit industry. Hortgro provides further technical, financial and management assistance to emerging producers in the pome- and stone-fruit industries.

Transformation:

Navigating diverse perspectives

In the world of agriculture, the term “transformation” is often tossed around, carrying with it a weight of expectations and implications. However, the concept of transformation is not a one-size-fits-all solution; instead it consists of a multitude of perspectives, priorities, and aspirations.

At the heart of the discussion on transformation lies the question of what truly constitutes transformation.

Transformation is more than just a makeover, it is a total recreation. Successful transformation means to go from what was to what should be. You cannot partially transform. True transformation is total transformation. Going all the way. And keep on going because transformation is alive, it never ceases. You don't transform and stop. You keep on transforming, keeping up with the times.

In the agricultural sector, this question is deeply influenced by the diverse backgrounds, experiences, and interests of stakeholders involved. For some, transformation is synonymous with land reform and redistribution, seeking to

rectify historical injustices and address disparities in land ownership. However, transformation extends beyond land ownership alone. It includes broader factors such as gaining access to affordable finance, market access, pre- and post-human capacity development, and environmental sustainability to name a few. It requires a holistic approach that considers the relationship of various factors shaping the sector's dynamics and impact on black producers and their farming operations.

The complexity of transformation in agriculture is further compounded by ideological differences and competing interests among stakeholders.

Commercial farmers, emerging farmers, policymakers, civil society organisations, and rural communities may each have distinct priorities and concerns regarding the trajectory of transformation. Balancing these diverse perspectives requires an inclusive dialogue, collaboration, and consensus-building processes that acknowledge and respect the unique contributions and needs of each stakeholder group.

While there may be shared goals and aspirations for transformation, the path to achieving them may vary depending on individual perspectives and contextual factors. Embracing this diversity of viewpoints is essential for promoting a more inclusive, equitable, and sustainable agricultural sector that truly benefits all stakeholders.

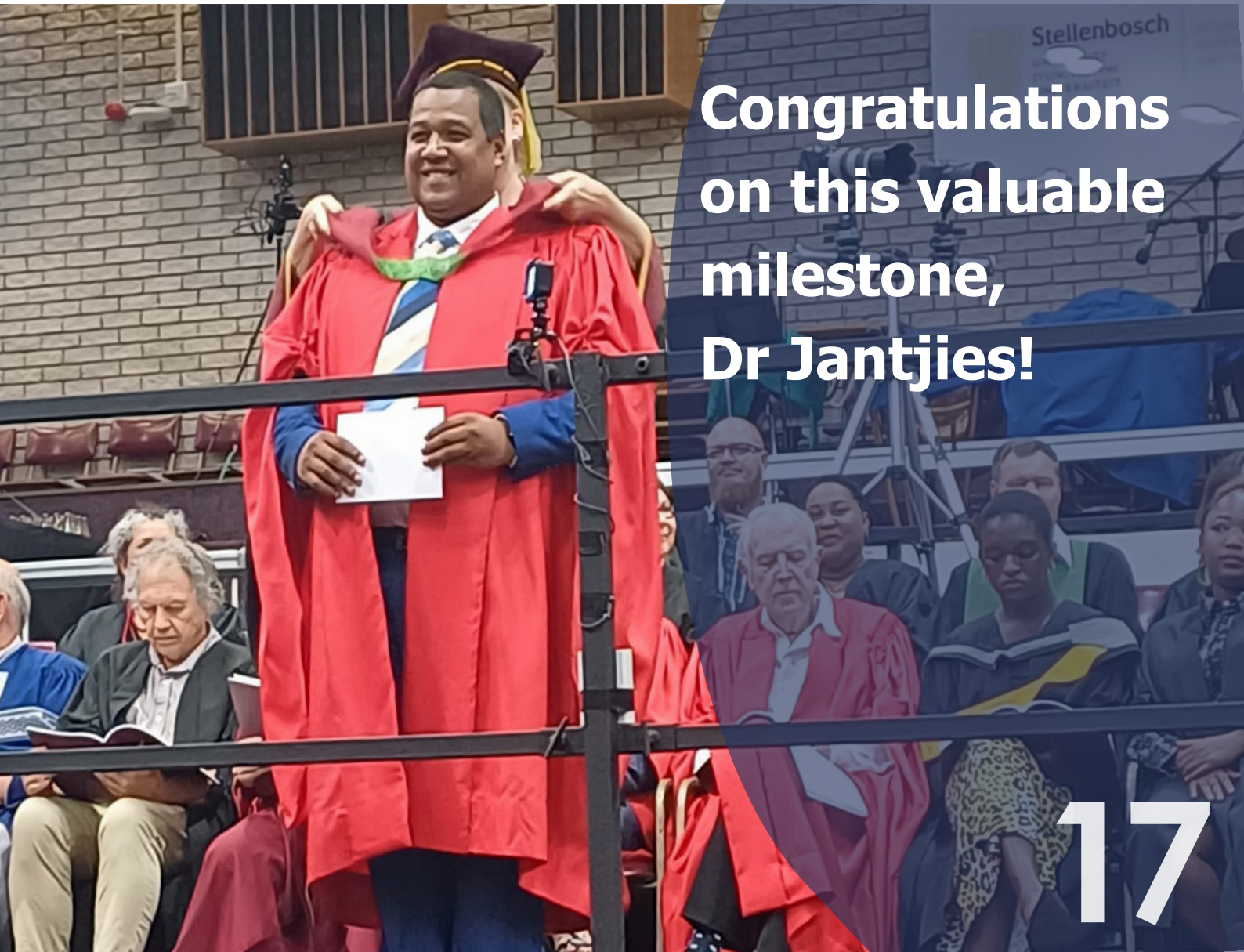
True transformation in agriculture is not, and should never be a political or even purely ideological issue. It's a humanitarian issue, but most importantly it is a sensible issue.

The more successful operational farmers from all walks of life in South Africa there are, the fuller the food basket will be. For all South Africans. We all deserve it.

What's up

Chair of SA PALS acquires PhD

Today Heinrich Jantjies, Chair of SA PALS, is not Mr Jantjies, but Dr Jantjies. Apart from a N.Dip (Management), B.Tech, M.Tech, M.Com and MBA he just acquired his PhD in Agricultural Economics which reads **"An enquiry into the competitive performance of the South African deciduous fruit canning industry"**.



**Congratulations
on this valuable
milestone,
Dr Jantjies!**

Hortgro/ Mazars Leadership Development Programme for Production

Would you want your leaders to fulfill their potential optimally and bring out the best in their teams? Thus far, we have developed 107 leaders in the Western Cape Agri Sector with a marked difference in their leadership capability, impact on their teams and results after the leadership programme.

Due to the great success and impact of the Hortgro/Mazars programme, we are excited to host another group of

delegates to attend the programme, facilitated by Mazars from 16 July until end of August 2024.

Send your nominations with name of the nominee, contact details, his/her role and why you think the nominee will benefit from the programme to:

Learn@hortgro.co.za
by 15 May 2024
to be considered.





Find updated information, research and advice for deciduous fruit farming in these resources:

Fresh Quarterly #24 March issue



FRESH NOTES

A TECHNICAL UPDATE PUBLISHED BY HORTGRO SCIENCE

Fresh notes

Timely hints

for monthly advice on fruit production

TIMELY
hints

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