



South Africa. Siyasebenza

Information Pack

Economic Transformation of Black Citrus Growers Programme (JF8/1388)

Programme Introduction

The Citrus Growers Association (CGA) is implementing a development programme, aimed at supporting the transformation of the citrus industry in South Africa. The “Economic Transformation of Black Citrus Growers Programme” has been awarded funding by The Jobs Fund, and implementation will commence during April 2020. Co-funders to the programme include CGA levy funding, AgriSETA (skills development), The Land Bank and DAFF. The project aims to make available affordable funding for expansion, orchard rehabilitation and on-farm infrastructure development, by subsidising loan funding with a grant from The Jobs Fund, while also making available skills development funding.

The programme will be implemented across South Africa, with a specific focus on Limpopo Province, Mpumalanga, Eastern Cape, North West and KwaZulu-Natal. The expected number of additional jobs to be created through this fund is 1726. This will be comprised of 329 permanent and 1397 seasonal jobs. It is estimated that three seasonal jobs equate to 1 permanent job.

CGA is the lead partner on the programme, and have appointed Lima Rural Development as the Programme Manager. The Citrus Academy will provide skills training support, and the Grower Development Company (CGA-GDC), are the implementation partners to the programme.

Applications are now invited from Citrus Growers who meet the below criteria. You need to clearly demonstrate the jobs that will be created as a result of funding you are requesting. Applications that have a higher return of Jobs created per rand invested will be favorable. The programme aims to fund applications to a maximum of R10million through part grant and part loan funding.

Application Criteria

What Is Funded?

1. Orchard Establishment, Rehabilitation and Improvements

- ✓ Priority will be given to orchard establishment.
- ✓ Orchard establishment is limited to expansions for existing qualifying

enterprises, and specifically excludes green fields developments.

- ✓ Orchard rehabilitation may be considered only if it will add to the capacity and sustainability of the enterprise.
- ✓ Orchard improvements, such as erecting netting for existing orchards, may only be considered if it can be demonstrated that it will add to the capacity and sustainability of the enterprise.

2. Infrastructure

2.1 Packhouses

- ✓ New packhouses may be considered if it is viable within the economics of the project.
- ✓ Refurbishment of defunct packhouses may be considered.
- ✓ Expansion of the capacity of existing packhouses may be considered.
- ✓ New packhouse equipment or refurbishment of packhouse equipment may be considered for existing, operational packhouses if it is clearly illustrated that the capacity of the packhouses will be expanded.
- ✓ Multi-enterprise packhouses will be prioritised.

2.2 Irrigation

- ✓ Bulk water supply systems (including dams, canals, pump houses, pumps, and pipelines) may be considered.
- ✓ In-field irrigation is to be included in orchard establishment costs.
- ✓ Hydrological studies will also be considered for funding.

2.3 Fencing

- ✓ Border fencing, security fencing and electrified fencing can be considered for funding.

3. Tools and Equipment

- ✓ Purchasing of movable assets will not be prioritised.
- ✓ Purchasing of movable assets will not be considered for funding under this project if it is the only funding that is being applied for.
- ✓ Movable assets will only be considered if it forms part of a larger application and is clearly illustrated as being essential to the operations of the enterprise.

4. Skills Development

- ✓ Learnerships, bursaries and skills programmes may be considered for funding.
- ✓ Skills development is compulsory for all project beneficiary enterprises.

5. Production Funding

- ✓ Production funding will only be available to new and replanted orchards

under this project

- ✓ Production funding is available for the planting year plus two years after the orchard is planted.
- ✓ The amount available for production funding may be spread over the three years as per the applicant's requirements.

Who Is Funded?

1. Ownership

- ✓ Minimum of 60% black ownership, as defined by the B-BBEE Act of 2013
- ✓ This minimum applies to both the ownership of assets and the ownership of the operational (production) unit
- ✓ Priority will be given to enterprises with 100% black ownership, as defined by the B-BBEE Act

2. Management Structures

- ✓ Appropriate management structure for operational unit (strategic, production, marketing, financial and administrative management)
- ✓ External service providers (financial audits, legal services, logistics, fruit exports, etc.)

3. Economic Development

- ✓ Creation of permanent and seasonal job-opportunities in line with the scope of the development
- ✓ Compliance with Employment Equity Act, the Basic Conditions of Employment Act and Sectoral Determination 13: Farm Worker Sector, and all other relevant labour legislation and regulations
- ✓ Human resource development plan

4. Business and Financial

- ✓ Commercially viable and financially sustainable
- ✓ Actively involved in export citrus production

5. Financial Risk

- ✓ Shareholders / partners must qualify for loan funding as per the requirements the Land Bank
- ✓ Loan-to-value ratio no higher than 60%
- ✓ Debt service coverage ratio of no less than 1.5 times

6. Technical

6.1 Security of tenure

- ✓ Land tenure secured through title deed or by way of a long term lease

agreement or Permission to Occupy, signed by both parties

6.2 Water

- ✓ Sufficient water for current and planned operations secured through water rights or registered dams and / or boreholes (if dams and / or boreholes are not yet registered, proof of application for registration must be submitted, along with a yield test certificate)

6.3 Environmental

- ✓ Acceptable environmental risk profile (long term climate data, pest pressure, etc.)
- ✓ Acceptable environmental impact assessment if development of virgin land is being planned (as per requirements of National Environmental Management Act (NEMA) of 1998)

6.4 Food safety

- ✓ Compliance with applicable certification schemes needed to conduct the business as indicated in the business plan (including GLOBALG.A.P., HACCP and accreditation for target export markets)

How to Apply

Applications can be made on this on-line platform, by clicking on the "application link". You will be taken through a series of questions and will need to complete the online form as comprehensively as possible. You will also be required to submit supporting documents and upload a business plan.

There is also a list of required uploads and guiding documents listed on the online application platform, as well as optional templates to assist you. Please go through this list carefully. Please do not click submit until such time as your application is complete, as you will lose your work.

You can get assistance at the local CGA-GDC offices, from CGA-GDC extension officers and staff. Please note that any incomplete information or outstanding documentation will result in a disqualified application.

For more information or assistance in applying, please contact the following CGA-GDC programme team members:

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