

The role of Public Private Partnerships in the commercialisation of emerging citrus growers in South Africa



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Outline

- Agriculture as a business
- Definition of PPP
- Agri PPP focus area
- Overview of citrus industry in South Africa
- Needs of emerging citrus growers in SA
- Partnerships
- Challenges
- Lessons learned
- Conclusion and Recommendations

Agriculture as a business

- Since 2000, emphasis shifted away from seeing agriculture as an activity run by farm household to meet food security
- Now small scale producers should see agriculture as a business – first and foremost
- Call for a shift in the outlook and behaviour of farmers – formalisation of emerging commercial agriculture by facilitation of greater market engagement
- Agriculture and agribusiness together account for nearly half of the GDP in Africa (World Bank, 2013)
- To take the African agricultural sector, with its enormous potential, to the next level, public-private partnerships throughout the value chain as a whole are key
- This requires formal collaboration of the private sector to enhance agricultural growth through investment and support to undertake innovative (and sometimes more risky) initiatives
- Since 2015, worldwide the private sector as a strategic partner has been continuously referred to in very for a and debate

PPP definition

Formalized partnerships.....
between public institutions and private partners designed to address sustainable agricultural development objectives...



Where

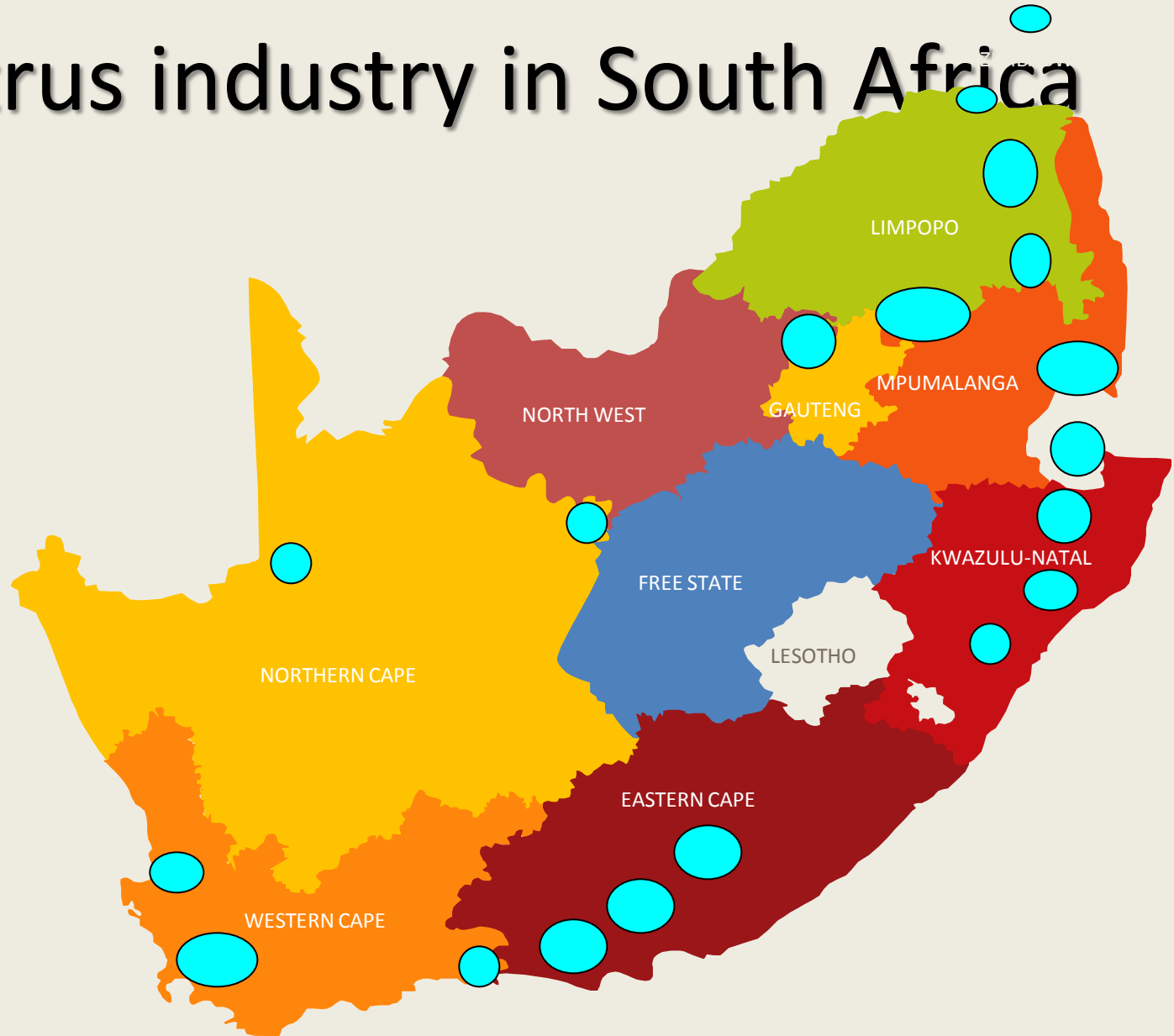
- public benefits anticipated from the partnership are clearly defined,
- investment contributions and risk are shared,
- active roles exist for all partners at various stages throughout the PPP project lifecycle”

Agri-PPP focus areas

1. Value chain development (meso & micro)
2. Innovation and technology dissemination
3. Business development/advisory services
4. Marketing (infrastructure & logistics)



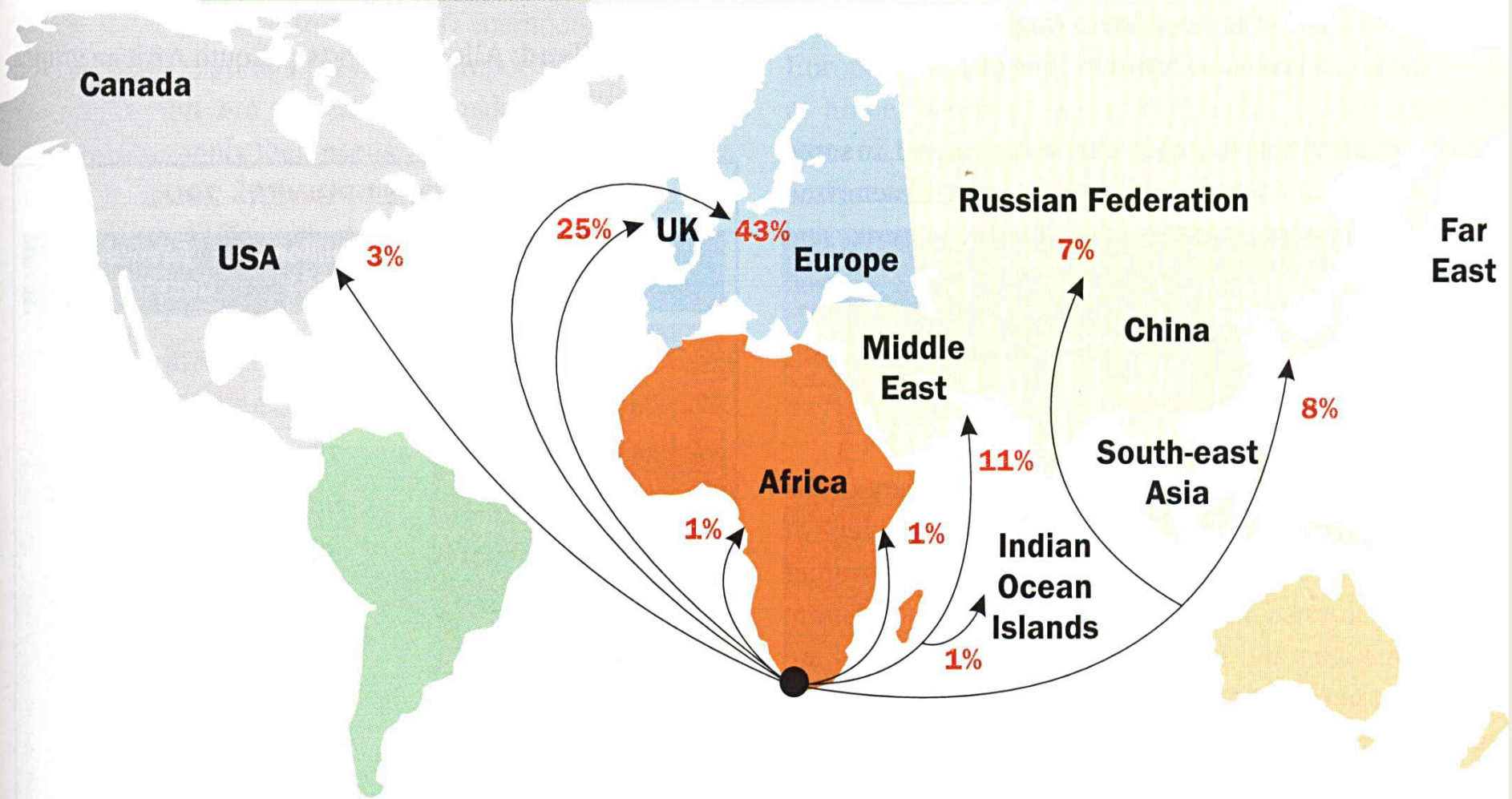
Citrus industry in South Africa



CROP VOLUMES AND EXPORT

- 72 731 ha planted
- 10th largest citrus producer in the world but 2nd largest exporter by volume
- 2016 exported about 99 million 15 kg cartons
- Approx. 45% of fruit goes to the EU
- 1400 growers (124 enterprises), approx 75 packhouses, 100 export agents (10=90% of volume)

Main South African Export Regions (2003)



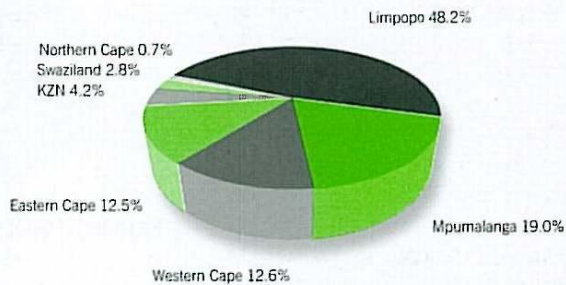
Africa	2%	Far East and Asia	8%	Russian Federation	7%
Americas	3%	Middle East	11%	Indian Ocean	1%
Europe	43%	United Kingdom	25%		

SOUTHERN AFRICA

Production areas

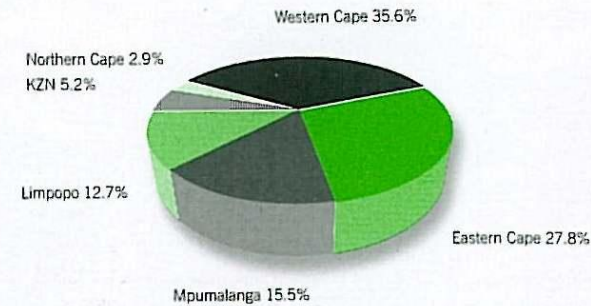
Valencias

Province	Area (ha)
Limpopo	11 441
Mpumalanga	4 515
Western Cape	2 987
Eastern Cape	2 978
KZN	995
Swaziland	668
Northern Cape	174
Total	23 757



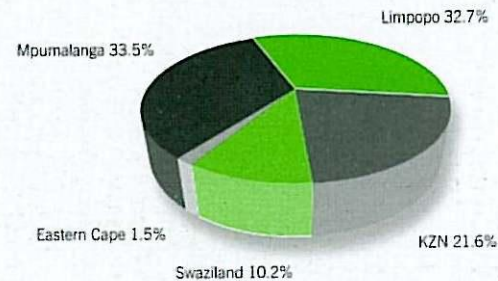
Navels

Province	Area (ha)
Western Cape	4 936
Eastern Cape	3 862
Mpumalanga	2 153
Limpopo	1 761
KZN	717
Northern Cape	403
Swaziland	43
Total	13 875



Pomelos

Province	Area (ha)
Mpumalanga	2 876
Limpopo	2 805
Kzn	1 856
Swaziland	877
Eastern Cape	131
Northern Cape	23
Western Cape	22
Total	8 588



Emerging Commercial Growers

PROVINCE:	ENTERPRISE:
1. Limpopo	44
2. Mpumalanga	11
3. Eastern Cape	36
4. Western Cape	7
5. Northern Cape	5
6. North West	4
7. Kwazulu Natal	17
Total:	124

GAPS with respect to the SOUTH AFRICAN small scale citrus industry

- Lack of key skills like financial and management skills
- Low promotion of the newest released technologies and weak public technology delivery system (skills development)
- Business challenges in commercializing agricultural technologies in smallholder systems are complex
- Farmers' difficulty in accessing new technologies and innovations - many lack well organized networks (institutional capacity)
- Challenges (also regulatory) with regard to marketing and export of citrus
- Logistics and transport
- Mentorship programmes

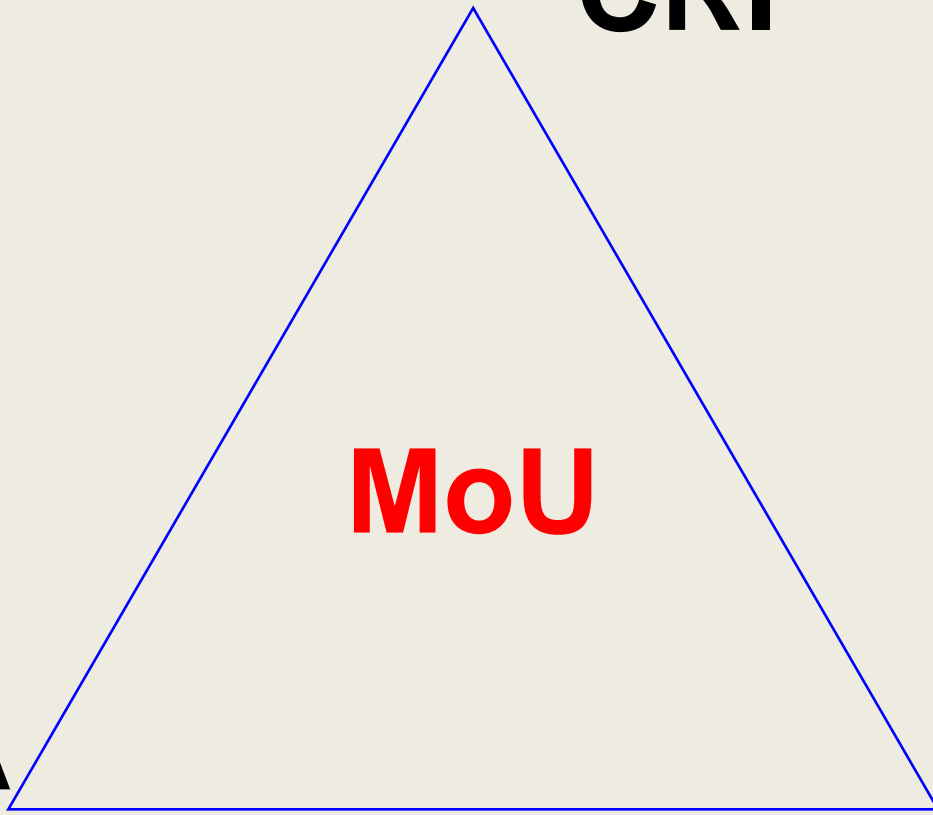
Partnerships

CRI

MoU

CGA

PDA_s



CGA partnership with provinces

Province	Department	Date of MOU	No of extension advisors participating
Limpopo	Limpopo Provincial Department of Agriculture (LDA)	June 2016	15
Mpumalanga	Mpumalanga Department of Agric. Rur. Dev. And Land Adm (DARDLA)	July 2013	2
KwaZulu Natal	KwaZulu Natal dept. of Agric. And Rur. Dev.	June 2015	8
Eastern Cape	Eastern Cape Dept. of Rur. Dev. And Agrar. Reform (DRDAR)	May2013	11

CGA Group Company Structure



Citrus Growers in South Africa,
Swaziland and Zimbabwe



CHAMBER



IDENTIFICATION OF EXTENSION OFFICERS

- A structure (an engine room) was set-up
- Relevant extension officers were identified from clusters to coordinate citrus
- Being capacitated through:
 - Citrus Skills Training Courses and Mentoring Program
 - Citrus Study Groups and Information Days
 - Regional Extension Workshops
 - CRInet
 - Cutting Edges

Citrus Research International (CRI)

- Subsidiary of CGA – undertakes research and provides extension services
- Mentor EOs on citrus technical issues
- Assist PDAs to organise study groups where necessary
- Assist PDAs to develop an extension programme
- Assist PDA to determine research needs of the growers
- Address identified research needs and ensure that research knowledge are conveyed back to the growers

Citrus Growers Association (CGA)

Aim of partnership with Provincial Departments:

- Extension officers will be trained to assist emerging growers in becoming commercial citrus growers
- Identify research needs of emerging growers
- Mobilise them into groups whereby they can be represented in the CGA
- Facilitate mentorship programs offered by government
- Building capacity with regard to technical , business management and planning skills
- Marketing and pursuing of marketing opportunities
- Linking with other stakeholders in the industry

What we achieved through PPPs?

Mobilising /structuring of groups

- Formation of citrus study groups (8)
- Formation of citrus technical committees
- Identification of citrus coordinators
- Formation of Provincial Technical Committees and MoU Implementing Committees

Technology dissemination

- One on one with the farmer
- Information Days
- Cutting Edges
- 3 Regional Extension Workshops (Post Harvest in Jan/Feb, Production Jun/Jul and Pests & Diseases Management Aug/Sept)
- Study Group meetings

Capacity building

- Citrus scouting courses
- Citrus training workshops
- Attendance of annual citrus research symposium by farmers and extension staff
- Development of citrus extension program

What we achieved through PPPs?

Business development

- Assisting the Growers with Bankable Business Plans
- Training of Growers in Business Management

Marketing

- Taking Growers to Berlin Fruit Logistica to Negotiate directly with buyers (importers)
- Taking Growers to other African Countries like Kenya to see how they market their produce

Value chain development

- Building of packing facilities and farmers having shares in the processing factories.
- Partnering with export agents

CHALLENGES

- **Communication with clusters, districts, municipalities and citrus coordinators**
- **Financial difficulties to carry out the activities outlined in the MoU**
- **Movement of personnel (within and outside the department)**
- **Access by extension officers to farms with strategic partners**

LESSONS LEARNED

- *Initial partnering:* Choice of the initial partnering should be taken seriously – selection should start with a realistic assessment of own capacity
- *Prioritizing of partnership:* Potential partners should be open where they see the priorities of the intended joint venture
- *Contractual agreements:* Drafting of clear, detail contracts – required for clarity regarding roles and responsibilities of parties
- *Address major blockers* of partnering as early as possible
- *Transparency:* Partners need to understand and respect each other- and open communication should prevail.

RECOMMENDATIONS

- Communication between CRI, Districts, Municipalities and Citrus Coordinators (CC) should be two ways
- PDAs to have someone in charge of the implementation of the MoU
- Each CC to have access to communication tools(i.e.,a computer) for easy access to information
- There should be a budget for the implementation of the MoU from PDA's side

CONCLUSIONS

- Use of PPP model in agriculture development and deployment along the entire product value-chain is a game-changer in enhancing citrus production among emerging growers
- Every PPP is an experiment – a new mixture of people, needs, goals, technology and therefore every PPP is a '*sue generis*', is specific and not one size that fits all



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