



Gazetting of new citrus export levy will see R1 billion invested into the industry over the next 4 years

The Citrus Growers' Association of Southern Africa (CGA) welcomes today's gazetting of the new statutory export citrus levy by the Minister of Agriculture, Land Reform and Rural Development Thoko Didiza. The new levy will be funded by around 1250 citrus growers over the next four years (from 2021 to 2024) and will ensure both the long-term competitiveness of the citrus industry as well as the sustainable growth of black-citrus enterprises within the sector.

The new levy represents a 120% increase from the previous levy and will translate into an estimated R1 billion investment by local citrus growers into the sector over the next four years. The levy will continue to be administered by the CGA.

A key funding area is ensuring greater transformation within the industry. 20% of the new levy will be allocated to the development of black citrus growers and their meaningful and lasting participation in the sector.

This funding will be invested in the CGA's recently finalised four-year Transformation Plan (2021-2024), which will be implemented through the CGA-Grower Development Company and the Citrus Academy. The plan will focus on the following key areas: the provision of enterprise and supplier development programmes to black growers; the provision of skills development programmes to black growers; the roll-out of socio-economic development programmes in rural communities and ensuring the sustainable growth of black owned enterprises as well as greater representation of black growers in industry leadership positions.



With the citrus industry expected to increase its exports by over 500 000 tons over the next three to five years, investment in research and development is critical in order to ensure the sector remains competitive in overseas markets. For this reason, 60% of the new levy will be allocated to Citrus Research International (CRI) to provide research and technical services to growers. This is a pre-requisite for gaining, retaining and optimising market access, which is a key priority for the industry over the short, medium and long-term.

One of the main blockages preventing increased market access, is the stringent phytosanitary requirements effected by some countries. The new citrus levy will assist the CRI in enhancing the phytosanitary assistance it offers growers, including providing counterfoils for unjustified regulatory disruptions and changing regulations.

The remaining 20% of the new levy will be allocated to a number of other programmes including working with government and other stakeholders to improve national transport infrastructure and logistics capacity, including the country's rail and port operations.

With the majority of citrus growers having voted in favour of the levy increase, we are pleased that Minister Didiza has given the greenlight for the implementation of the new levy from January 2021.

The industry is expecting another record breaking export season in 2020, despite the challenges faced by the Covid-19 pandemic and national lockdown. We are confident that the new levy will enable the industry to grow its market share even further and as a result, create even more jobs and bring in increased revenue for the country's economy over the next four years.

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