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CGA calls for large levy increase

Association asks South Africa's minister of agriculture for big increase in levies to fund its activities over the next four years



The Citrus Growers' Association of Southern Africa (CGA) has made an application through the National Agricultural Marketing Council (NAMC) to the minister of agriculture, land reform and rural development Thoko Didiza, for the approval of a substantially increased statutory citrus export levy for 2021-2024.

The CGA said that it would result in increased grower investment to contribute towards a more inclusive, competitive citrus industry.

The proposed new levy represents a 120 per cent increase over the current cycle ending in 2020 and translates to an estimated investment of R1bn over the four-year period.

Applied on the exports of all citrus fruit, the levy has been in place since 2004 and will continue to be administered by the CGA.

"The levy is an investment into ensuring the long-term profitability and

competitiveness of the industry," said the CGA's Justin Chadwick.

The NAMC has now published the proposed new levy and has invited comment from directly affected groups in the citrus industry by 31 July 2020, before the Council makes its recommendation to the minister.

The details of the proposed new levy were presented to citrus growers across Southern Africa through a series of roadshows at the beginning of the year.

When the levy was put to a vote amongst growers it was supported by the majority, therefore allowing the CGA to take the matter further for final approval to the minister.

Cornel van der Merwe, chairman of CGA, said he was pleased with the outcome of the vote, noting that it was a vote of confidence in the work of the Association. "Particularly the focus on research and transformation bodes well for the future of the citrus industry in South Africa."

"Industry leaders in the past recognised that research is the foundation of our sector, and this continues to be the case. The industry has been engaged in transformation activities that will now be given a boost with this new investment," he noted.

According to the CGA 60 per cent of the new levy will be allocated to its subsidiary company Citrus Research International (CRI) to provide research and technical services to the citrus industry.

"This is critical if the sector is to remain competitive in international markets and will include implementing a biosecurity plan to prevent or reduce the impact of disease or pests; strengthening phytosanitary market access and improving efficiency of production," the Association outlined.

Minister Dediza is likely to be happy with the application, once it lands on her table, particularly because of the fact that at least 20 per cent will be spent on supporting the development of black

growers and their meaningful and lasting participation in the industry.

This portion of the levy will be allocated to the CGA Grower Development Company (CGA GDC) and the Citrus Academy to facilitate access to technical and business management knowledge and services for black citrus growers.

It will also facilitate access to national, regional and international markets for black growers, assisting

with access to grant and loan funding for black citrus enterprises and providing skills development and capacity building workshops to black citrus growers.

The CGA will spend 20 per cent of the levy on market access. This includes gaining wider access to the US, China and India and also gaining new markets including the Philippines and Vietnam.

It also includes assisting

grower profitability and sustainability and working with government and other stakeholders to improve national transport infrastructure and logistics capacity, including operations at the country's ports.