

Fruit producers in a fair-trade chain

Empowering a rural community in South Africa

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The Zebediela Citrus Estate in Limpopo province, South Africa, was returned to the Bjatladi community in 2003. The community now co-owns and manages the enterprise and its productive assets.

The South African land reform programme aims to empower rural community members who were discriminated against during the apartheid era. In 2003, the Zebediela Citrus Estate was handed back to its original owners, whose ancestors had been forcibly evicted from the land in 1918. The estate, which covers about 2000 hectares, was once the largest citrus farm in the southern hemisphere, and is now among the largest farms to be transferred under the government's land restitution programme.

Production on the estate peaked in the 1970s, at two million cartons of oranges a year. But mismanagement by the Agricultural and Rural Development Corporation (ARDC) of Zebediela beginning in 1996 caused production to plummet to virtually zero by 2000.

The estate is now owned by the Bjatladi community and the Zebediela workers. Its operation is based a plantation model, with the co-ownership and co-management of the local community and workers, rather than a smallholder association or cooperative. Through its shareholding in a local export service provider, FruitOne Pty, and through collective co-ownership in the Netherlands-based Fairtrade organisation AgroFair Europe bv, the Zebediela Citrus Estate is now part of a vertically integrated value chain. After a capacity development effort that involved some serious restructuring, the farm's performance improved significantly ? some 300,000 cartons were exported in 2002 and 800,000 cartons in 2003.

Developing local capacity

A capacity development initiative by the South Africa Farm Management Group (SAFM) contributed to the success of the farm. The initiative included infrastructure improvements in order to comply with high export market quality standards, changes in the farm management structure and standard operating procedures, and training for staff at all levels.



SAFM is an initiative of the Boyes Group, named after a family of former large landowners. It started as a private investment group that provided management expertise and capital for newly restituted farms such as the Zebediela Estate. SAFM now wishes to contribute to rural economic development, and supports land reform, including the transfer of land and farms to their original family owners and managers. The group is applying its strategic and financial management skills to export farming to create a new viable business propositions.

In the SAFM business model, each stakeholder has a specific role to play. The community contributes the land and enables the operating company to expand its business, the workers provide labour and expertise, while SAFM's strategic partners (including AgroFair) provide technical know-how, access to capital and markets, and management skills.

SAFM started managing farms acquired under the land restitution programme in Limpopo province in 2000. Since then, the group has extended its activities to include 15 farms, including Zebediela, with a total of 5000 hectares of cultivated land producing a diverse range of subtropical fruits. These fruits are exported to markets in Russia, the Middle East and Japan. In 2005 the organisation started to work on fair trade certification, in partnership with the European importer AgroFair, in order to diversify its export portfolio and stabilise revenues above cost price level.

In the case of the Zebediela Estate, the Boyes Group acquired 51% of the shares in the operating company. The community holds 35% and the workers hold 14%. From the start it was agreed that within 15 years the management and ownership of the company would gradually be handed over to the workers and the community.

A work in progress

Building the capacity of the Zebediela Citrus Estate is a work in progress. Although local community members are actively involved in the day-to-day management of the farm, the final responsibility is still with Charles and John Boyes and Bill Skotcher, the initiators of the SAFM group. However, within 10 years, control will be in the hands of local managers.

After three years SAFM has learned a number of lessons:

- With economies of scale, an organisation can contract and build a professional business management structure. This distinguishes the Zebediela model from many others in which producer-members are engaged in management tasks.
- In order to empower local communities, it is important that stakeholders and donors commit themselves to providing long-term support. The co-ownership approach is complex and can be problematic.
- Not all members of the community surrounding the estate are involved or interested in the land or the operating company. The estate is increasingly dependent on temporary migrant workers who do not live permanently in the community. Placing shares in their hands would not create an appropriate sense of involvement and commitment.