



## Citrus Growers' Association

FNB Agriculture has continued to partner with the Citrus Growers' Association and the Jobs Fund to create an innovative economic transformation development programme that supports black citrus growers.

The programme aims to provide affordable funding for the expansion of operations, orchard rehabilitation and on-farm infrastructure development. This is achieved through blended finance incorporating grant and traditional loan funding. The programme also provides funding for skills development, learnerships and tertiary education bursaries.

The funding pool of R308 million, as at June 2023, had been provided by AgriSETA; the Department of Agriculture, Land Reform and Rural Development; the Jobs Fund; FNB Agriculture; and the Citrus Growers' Association through its statutory levies.

This programme is structured to overcome the two biggest challenges black farmers face: access to affordable credit lines and the establishment of equity ownership.

### Overall programme objectives:

- Provide financial support to **black citrus growers**.
- Create **both permanent and seasonal employment opportunities**.
- Increase the total number of **new hectares** under production.
- Provide **learnerships, skills development and bursaries to individuals** from the communities where labour is sourced.
- Increase revenue** and contribute to exports.

### Accordingly, the funding allocation is split:

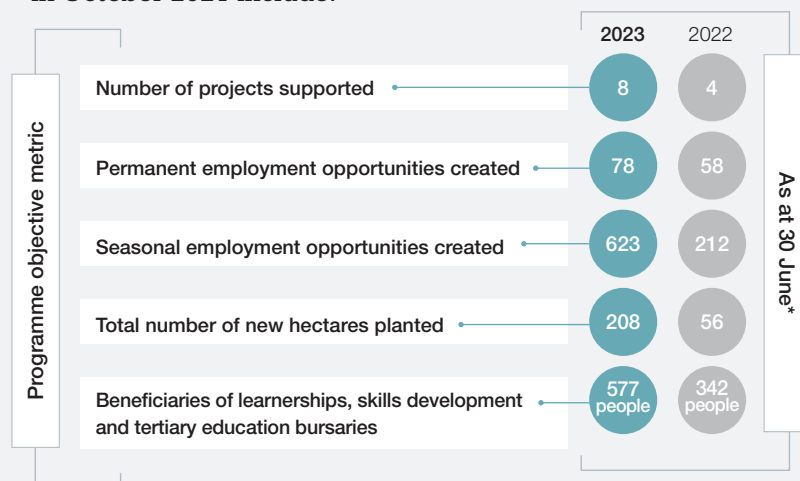
- 36%** is a **non-recoverable grant** and acts as the farmers' equity contribution; and
- 64%** is a **blended loan** consisting of grant funding from the Citrus Growers' Association and preferential funding from FNB. This blended loan is provided at interest rates that range between prime and prime -3%, making the funding more affordable.

**As at June 2023\*:**

FNB has paid out **eight blended loans totalling R73.6 million** (R25.6 million as at June 2022) for projects situated in the Eastern Cape, KwaZulu-Natal and Limpopo. These eight projects benefited from grants of R43.3 million representing the farmers' equity contributions. The total combined value of the support to these projects amounts to R116.9 million.

In addition, FNB has issued term sheets to the value of **R30 million to one of the citrus projects** situated in the Eastern Cape, with R10.8 million representing the grant allocation and the farmers' equity contributions.

**The programme's achievements since inception in October 2021 include:**



\* Previously reported as at September. Time period changed to align with FirstRand's financial year end.