



SRCC
FOUNDATION

HANDS ON in the Sundays River Valley

**SRCC CORPORATE SOCIAL INVESTMENT
REPORT
AUGUST 2018**

As the largest employer in the Sundays River Valley, SRCC is committed to the community in which it operates. We believe it is our responsibility to make a change within the Sundays River Valley, especially where there is an identified need.





contents

1

**Growing Together :
The SRCC Story**

3

**Message from
Managing
Director**

5

Transformation

11

**Message from
Foundation
Chairman**

13

**SRCC Foundation
Focus for 2018**





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Growing Together: The SRCC story

From our humble beginnings way back in 1924, we have grown into the largest grower, packer and exporter of South African citrus.

SRCC sources, packs and exports between 8 million and 9 million cartons of citrus fruit annually. This is approximately 10% of the total citrus crop in South Africa, and 40% of the citrus crop in the Sundays River Valley, making the company a major player, both nationally and within the Eastern Cape. The SRCC has the longest running service in fruit packing and owns four packhouses with eleven packing lines installed, also catering for Organic and Chemfree Citrus. Furthermore, SRCC has established its own marketing and supply chain management company to manage service providers, from its packhouses right through to the retailer. This allows for the process to be seamless and fully managed.

SRCC is proudly owned by its 87 grower shareholders, who produce and supply several varieties of citrus fruit to SRCC for packing, marketing and exporting on behalf of the SRCC farmers.

The SRCC Farmers collectively own approximately 7463 hectares of citrus orchards. They have decades of experience in growing citrus fruit in compliance with international standards for export to international markets and possess considerable know-how in relation to the production of citrus fruit.



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**+ - 9 000 000 cartons
packed for export annually**



**+ - 2 500 000 pockets
oranges packed for
local market annually**



+ - 3000 employees

Message from Managing Director

SRCC has long been at the forefront of Transformation of the Agricultural Sector of South Africa. In 2016 the board adopted the motto: "Do the right thing". Regardless of whatever situation or circumstances faced, SRCC moved on in its drive to enable black Farmers and uplift the community. The SRCC Foundation plays a very important role in this regard. Provision of basic needs to the community has long been a strong objective. Education has now been added. All the initiatives are the result of the good grace of SRCC Shareholders, donors and the hard work of those who serve this Foundation. It plays a small but important part in making South Africa a better place for all



SRCC - Committed to *doing the right thing*



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Transformation

In 2007, SRCC recognized the need to become actively involved in land reform projects with the main aim of training black citrus farmers in the Sundays River Valley. The SRCC Primary Production department was established to support land reform projects in the SRV.

SUNDAYS RIVER FARMING TRUST (SRF Trust)

Since 2007, SRCC has been actively involved in transferring the required farming and business skills to the workers on such farms to enable them to become successful commercial farmers.

SRCC was instrumental in the establishment of the Sundays River Farming Trust and has been engaging with the SRF Trust as a strategic partner in terms of the Promotion of Land and Land Assistance Scheme to transfer farming and business skills to the beneficiaries. The SRF Trust comprises of 4 farms in the SRV with 46 black beneficiaries / farm workers on the farm.

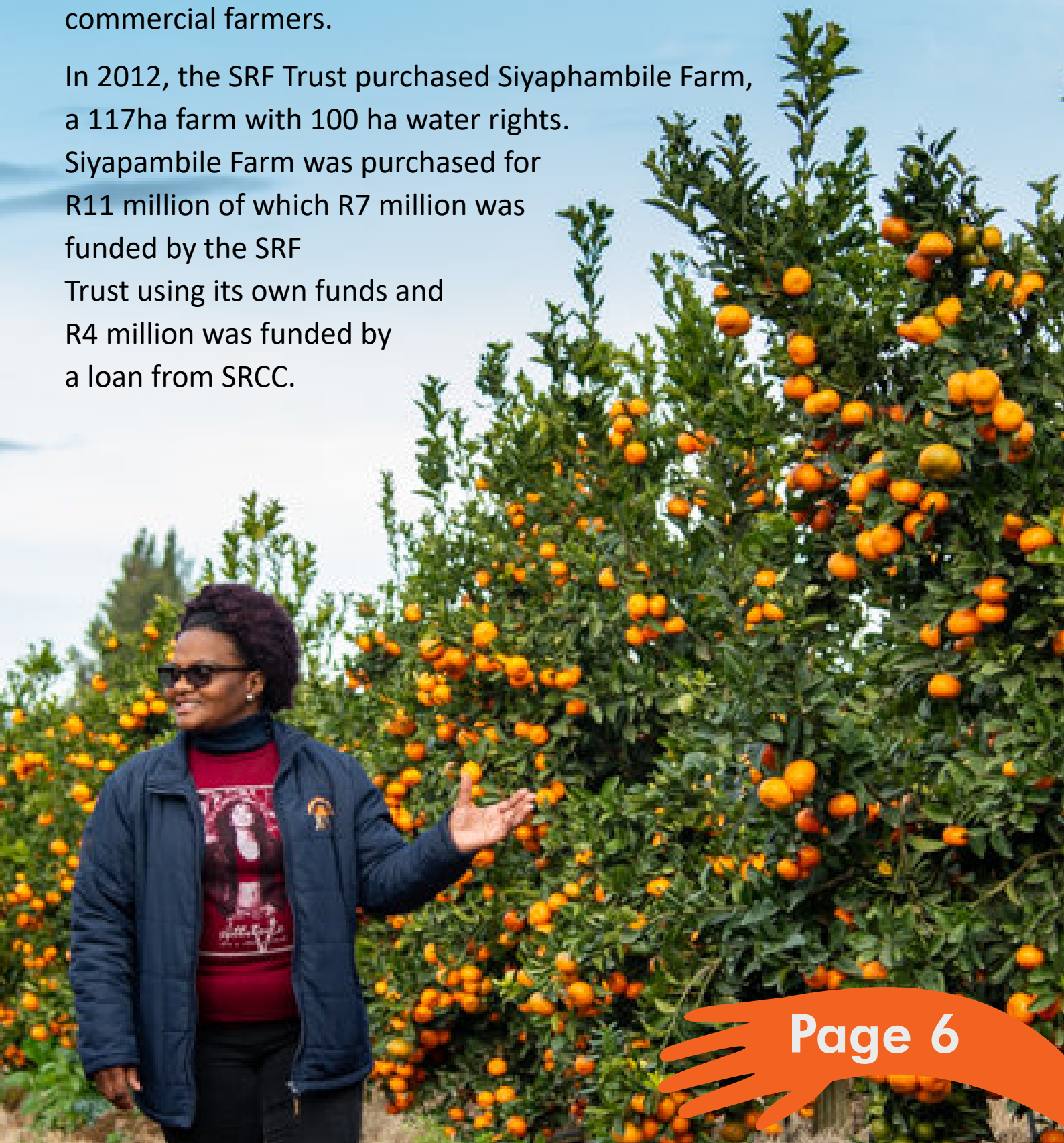
SRCC's Primary Production department has been extensively involved in managing the farming operations on the farms, which comprises of 362 ha of planted citrus. SRF Trust has been profitable since inception and has distributed profits to beneficiaries on an annual basis.

SRCC has also been extensively involved in the training and mentoring of employees in order to ensure these employees become successful commercial farmers.

In 2012, the SRF Trust purchased Siyaphambile Farm, a 117ha farm with 100 ha water rights.

Siyapambile Farm was purchased for R11 million of which R7 million was funded by the SRF

Trust using its own funds and R4 million was funded by a loan from SRCC.



In 2015 the SRF Trust transferred its farming business as a going concern to Sikhule Sonke Enterprises (Pty) Ltd (SSE) in exchange for shares in SSE. The SRF Trust and SSE have successfully conducted citrus farming operations on the farms for more than ten years. SSE currently employs 47 permanent workers and between 400 and 450 seasonal workers.

This project was described by the Honourable Minister Nkwinti a few years ago, as one of the most successful land reform projects in South Africa.

The project proves that the participation of a strategic partner, who is able to transfer farming and business skills to emerging black farmers, is the key to successful land reform


LUTHANDO FARM

Luthando Farm (Pty) Ltd is the registered owner of the farm “Luthando” situated in the Sundays River Valley. Mr Hermanus Potgieter, the original shareholder of Luthando Farm established the Luthando Workers Trust for the benefit of 49 black employees.

In 2003, Mr Potgieter sold 75% in Luthando to the Luthando workers Trust. The transaction was funded by the Department of Rural Development and Land Reform

Mr Potgieter retained a 25% shareholding in Luthando Farm (Pty) Ltd and was actively involved in mentoring and supporting the beneficiaries for a period of 5 years. In 2008 Mr Potgieter sold his 25% shareholding to SRCC. Luthando Farm is a shareholder of SRCC and supplies its citrus fruit to SRCC for packing, marketing and export.

SRCC is actively involved in the day-to-day management of the farm as well as training and mentoring in order to transfer farming and business skills to its employees.



Luthando Farm conducts a profitable farming business on the farm. This project also proves that the participation of a strategic partner, who is able to transfer farming and business skills to emerging black farmers, is the key to successful land reform.



IKAMVA LETHU

SRCC has initiated a major land reform project in the Sunland area of the Sundays River Valley. An undeveloped farm, measuring 1191 hectares, has been purchased by SRCC and registered in the name of Ikamva Lethu Farms (Pty) Ltd. The name of the Company means “our future”.

The full development of the farm is expected to be completed over four phases from 2019 to 2022. It is anticipated that the development of the farm will cost approximately R210 million, which amount will be contributed by 20 SRCC Farmers who have agreed to participate in the project.

R210m

approximate development
costs, to be contributed by
20 SRCC farmers



Ikamva Lethu Farms will be one of the largest citrus growers and employers in the Sundays River Valley.

Each SRCC Farmer participating in this project will establish a trust for the benefit of his black employees. SRCC will also establish a trust for the benefit of its black employees. At least 59% of the issued shares in Ikamva Lethu Farms (Pty) Ltd will vest in approximately 300 black people.

The project is expected to create approximately 800 jobs which will significantly reduce the high unemployment prevailing in the Sundays River Valley. On this basis, Ikamva Lethu Farms (Pty) Ltd will be one of the largest citrus growers and employers in the Sundays River Valley.

59%

**of the shares will vest in
300 black people**



Message from Foundation Chairman





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Community Upliftment

SRCC was established in 1924 and is a grower owned packing and export company of fine quality citrus. As a leader in the production and export of citrus we strive to transform our industry through the mentorship of emerging farmers and the development of new farming enterprises that will benefit our employees and uplift the community.

The SRCC Foundation is the vehicle we use to channel funds back into the community. The SRCC Foundation supports a number of projects in the Sundays River Valley, from crèches to soup kitchens. We support a number of the local schools, and in 2018 have launched a bursary scheme and leadership programme for local children. Our vision is to assist in educating local kids so that we can employ locally and uplift the community.

The needs of the community are great and we assist where we can, but we believe that a good education is the only way to create a lasting solution for poverty.

***Bob Maske
Chairman
SRCC Foundation Trust***



Page 12





SRCC FOUNDATION TRUST

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FOCUS
FOR 2018

Education: School Funding of 3 schools

Three deserving schools in the Valley are supported annually by the Foundation. Funding is channelled towards the education of learners from the townships in the Valley in order to provide them with opportunities otherwise out of their reach.

Columba Leadership Academy

The Foundation is also busy in discussion with a local High School in the area in order to commence with a leadership initiative through the Columba Leadership Academy. The whole basis of this programme revolves around developing and equipping learners with essential values and leadership skills within a group of 12 (twelve) carefully selected Grade 10 learners. The selection criteria applied in order to make the selection of the 12 learners, is not based merely on top academic achievements but on other characteristics including leadership potential.



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IGEMS Bursaries for 2 Engineering Students

The SRCC Foundation makes significant contributions towards various aspects relating to education with specific focus in 2018 on Bursaries and Leadership Development. Together with Unity in Africa, SRCC Foundation will be supporting two matriculants who are embarking on engineering studies through the IGEMS programme.



Support for Sisters of Mercy

The Foundation recently took a decision to assist the Sisters of Mercy with their ongoing efforts towards trying to ensure that the children in the Valley do not go hungry. This takes the form of funding the cost of refilling the gas bottles which needs to be done every 2nd month.



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Masipathisane Crèche

SRCC has provided funding and overall support to Masipathisane Crèche and its staff since 2009. The children are very well taken care of and funding towards the continued education of the Teacher in charge remains a priority.

Computer donation to St Colmcille High school

It was recently highlighted that the school were short of 7 computers and UPS's in order to have enough computers for the 2nd CAT (Computer Application Technology) class. SRCC Foundation stepped in and are in the process of a procuring and arranging the installation of these 7 much needed computers.

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KIDS ON THE *MOVE*

One of the key challenges facing children in rural areas, is the lack of transport provided by government, and the Eastern Cape is arguably the worst effected Province in this regard. In recognising this need, the Foundation launched the “Kids on the move” project. In May 2017 we acquired our first bus (a 23 seater), which is due to be paid off by the end of August 2018. We are now on a drive to raise funding for our 2nd bus (a 60 seater).

It is widely accepted that the material movement of poor and uneducated people from rural areas to squatter camps in urban areas, is a substantial contributor to social unrest in urban areas. In recognising this fact, a number of Corporates have made generous contributions to our first little bus, and we hope more will contribute to support the provision of transport for deserving children, thereby directly contributing to the reduction of “undesirable urbanisation”.



“School transport crisis looms in the Eastern Cape”

DispatchLIVE – Headline



“Every year, the EC & KZN Governments struggle to provide adequate scholar transport to its learners due to a lack of funding. The majority of learners still have to walk long distances to get to school.”

NEWS 24

Beyond the lack of transport to and from school, many previously disadvantaged children have not had the opportunity to see some of South Africa’s heritage; many children having never been fortunate enough to visit the Cango Caves or the world famous Addo Elephant Park (right on their doorstep). The initial bus has primarily been used to afford kids “extra mural” education as well as transport to sport and other school functions, whereas the 2nd bus will be used for transport to and from schools as well

HANDS ON

Page 18





**Transformation, empowerment and community upliftment
is not just our responsibility,
it is our way of life.**



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**FOR MORE INFORMATION
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