



TRADE & INDUSTRIAL POLICY STRATEGIES

## BLACK INDUSTRIALISTS CASE STUDIES

### Easy Farm

August 2022

The Black Industrialists Policy aims to increase the participation of black South Africans in operational management, rather than just financial ownership, of enterprises in key sectors and value chains. The programme was launched in 2015 by the Department of Trade, Industry and Competition, supported by the Industrial Development Corporation and the National Empowerment Fund.

The Black Industrialists Conference in August 2022 examined the impact of the Black Industrialists Programme and explored support measures to boost entry of black-owned businesses and producers into the mainstream economy. It also showcased the work of black industrialists. As an input into the conference, TIPS prepared nine case studies on black industrialists. Renee Grawitzky conducted the research and interviews, and TIPS provided the industry context and looked at the broader developmental objectives.

This case study profiles Easy Farm, which produces and exports citrus to the United States, China and the Middle East. Other companies profiled are: CapeBio Technologies; Equal ELM Trading; Flat-Foot Engineering; Ikusasa Green; Microfinish; Pambili Media; PepsiCo ESOP; and Sindane Mining Ventures. Copies of the case studies are [available here](#).

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## Easy Farm: farming citrus and bananas in Limpopo

Easy Farm stands out as a successful commercial operation in the largely impoverished historic labour-sending regions around Thohoyandou in Limpopo, near the village of *Tshivhilwi*. It exports between 90 000 and 100 000 boxes of citrus annually to the United States, China and the Middle East. South Africa is the second largest citrus exporter in the world, and citrus is its largest export crop. Easy Farm also grows bananas for the domestic market to provide a source of income year-round. Employment varies seasonally, but it averages around 65 employees, drawn mostly from the surrounding area.

Today, Lavhengwa Nemaorani and his wife, Meme, own and operate Easy Farm. Lavhengwa's father, Israel, who passed on in 2019, started the business. Lavhengwa's grandfather was a tobacco farmer in what was then Venda. Israel himself left to work as a police officer in Johannesburg before opening a spaza shop in Thembisa with his wife, Eunice. The shop grew into a supermarket and a successful dry-cleaners. In the early 1990s, the family moved back to Tshivhilwi, where they pursued various business activities.

Ultimately Israel's love for the land won over and he began to research the potential for farming. He initially paid the village chief for 10 hectares to farm vegetables. As his son notes, in the historic labour-sending regions where "communal" land rights still hold, to this day "you first have to get permission from the chief and then government will allow you to buy the land". In 1994, Israel obtained title to the land, with water rights from the Mwedi River, which runs through the farm. He continued to acquire land over the following 25 years, building today's successful commercial operation.

In the mid-1990s, leading citrus farmer Abraham van Rooyen provided Israel with trees on credit, and mentoring on how to grow them. This relationship laid the basis for Easy Farm's success. Government support was also crucial, in particular, to construct a new packhouse and a 20-hectare irrigation system with a pump house. Easy Farm also obtains pesticide from the provincial agriculture department.

From a young age, Lavhengwa Nemaorani was steeped in farming traditions, fuelling his own desire to be a farmer. He says that in some ways he spent his life preparing to take over the farm, studying the citrus business from planting to packing to export. After graduating from the Lowveld College of Agriculture, he gained experience on large established citrus farms before moving back into the family business, where he worked with his father for many years.

Nemaorani has continued to expand the farm. He now has his sights on breaking into the Chinese market with ClemenGold naartjies, which Van Rooyen had patented. To do that, the farm must produce fruit to meet Chinese import standards, with a limited number of blemishes. Achieving this goal requires modern machinery to check the fruit, a task that cannot be done manually. It also needs a new packhouse. Nemaorani also wants to expand the farm to 850 hectares, which will require purchasing "communal" land – in itself a fraught exercise. All of this entails substantial capital investment, and he plans to approach the Industrial Development Corporation (IDC) for support.

Nemaorani sees the expansion of the farm as important for uplifting his community. "I am in the middle of rural Venda and I am creating a lot of jobs. However, there is so much potential here." A key challenge is that the local "traditional" authorities have to approve the sale of the land needed to expand the farm. As Nemaorani notes, "If that could be unlocked, the potential for job creation could be massive." Only around 30% of working-aged people around Venda are employed, compared to the national average of 40% and the international norm of around 60%.

Nemaorani grew up seeing his father benefitting immensely from the support and expertise of established farmers in Limpopo. He is clear that mentoring is critical, as well as not being scared to say “I don’t know”. He too seeks advice and counsel from other more experienced farmers. “If I call one of my mentors and say I need you,” Nemaorani says, “he will drive for two hours and he will come and go through the orchards with me to find a solution.” These farmers are happy to help, he says, and young entrepreneurs need to understand that if they do not know something they must ask. They need to build a network of mentors around them.

Nemaorani himself supervises four to five students doing practicals on his farm every year. The placements are organised by the national department of agriculture. He urges young people to consider agriculture as a career, but only if they recognise how demanding it is. “You should know exactly what you are doing,” he says. “You need to know about the whole production side, get your hands dirty and educate yourself.” He adds, “There is definitely a future in agriculture but one of the biggest challenges to farming is accessing the necessary start-up capital. You must be patient and have a supplementary income to support you while you establish your farm, as farming, particularly fruit production, is a long-term business. Farming is not for lazy people. Farming is a calling. You must be passionate about farming if you want to be successful.”

Nemaorani argues that government must target support to people who wholeheartedly want to do the actual the work and put in the effort. Government also needs to clearly communicate what support measures are available. He is also passionate about the need for government to step in and assist in getting the local “traditional” authorities to understand their role in unlocking land to support agricultural development.

South Africa has one of the most advanced agribusiness sectors in the world, with production per worker around 50% higher than the average for other upper-middle-income economies. As a result, it has become a major export sector and the basis for both a strong agro-processing sector and production of fertiliser, capital equipment and other inputs. It was, however, historically one of the least representative in the country. Today, over a quarter of commercial farm owners are black – still far behind the rest of the economy, where three out of five business owners are black, but a marked advance on the apartheid era.

South Africa’s commercial farming success has resulted from a century of state support, for white farmers before 1994 and since then for the entire agricultural sector. Government assistance has taken the form of credit, assistance with capital investments and infrastructure, weather and market information, and help with marketing, among others. The department of agriculture historically provided most of the assistance. As the agricultural value chain has developed, however, the Department of Trade, Industry and Competition and the IDC have become important partners through their role in providing finance to farms and to manufacturers of agricultural inputs and outputs; promoting exports; and preventing unfair trade practices by importers.

**Trade & Industrial Policies Strategies (TIPS) is an independent, non-profit, economic research institution established in 1996 to support economic policy development. TIPS undertakes quantitative and qualitative research, project management, dialogue facilitation, capacity building and knowledge sharing. Its areas of focus are: industrial policy, trade and regional integration, sustainable growth, and a just transition to a sustainable inclusive economy.**

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