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CEO's Note

When the Forum on China-Africa Cooperation (FOCAC) 2024 saw the first South African GNU trade mission, one couldn't help but feel encouraged. Especially because of the significance of the Chinese market to South Africa – and certainly, to the fresh fruit industry.

And while the EU and UK remain key markets for South African fresh fruit exports, changing market dynamics and other factors continue to redirect the industry focus towards alternative markets like Asia. There's a growing demand in this market for the appearance and flavour profile of South African world-class fruit.

Lastly, I could not conclude without recalling the **Fruit SA 10th anniversary** celebration in Pretoria around this time last year. This signature event, attended by various dignitaries and industry stakeholders, is a milestone that reminds us of the power of a shared vision when pursued collaboratively. Hence, Fruit SA remains grateful to government and relevant stakeholders for their part in driving industry success.

If you missed our latest industry roundup video, you may view it [here](#).

TRANSFORMATION



FPEF Annual transformation webinar

By Johannes Brand (FPEF Transformation Manager)

This year the annual FPEF transformation webinar took place on 19 September, aiming – once again – to inspire and equip business leaders to drive proactive and effective transformation in their businesses.

The two speakers were **Chiliboy Ralepelle** (a former professional rugby player who is now involved in the fresh produce export trade) and **Wandile Sihlobo** (well-known agricultural economist and author).



Chiliboy emphasised the importance of transformation within South African agriculture, particularly in fresh produce exports. He highlighted the role of exporters in driving economic growth and creating opportunities for historically disadvantaged communities, especially rural farmers whose active integration can have far-reaching benefits for the value chain. Drawing on lessons from sports and leadership, he advocates for inclusive growth that benefits all, ultimately, helping to build a more prosperous and equitable future for South Africa.



Wandile highlighted the significant growth in the South African agriculture sector since 1994, with domestic agricultural output doubling by the 2022/23 season.

Technological advancements and progressive trade policies are among the drivers that have contributed to this expansion. And this momentous growth has positioned South Africa as a key player in global agriculture – ranking 32nd in the world, in agricultural exports in 2023.

However, on the flipside of this growth, asserts Wandile, lies the dualism in South African agriculture – a thriving commercial sector dominated by white farmers versus a subsistence, non-commercial sector primarily consisting of black farmers. He noted that, generally, transformation in the

sector has been slow, with less than 10% of commercial agricultural production attributed to black farmers.

Wandile concluded by urging the government and private sector to collaborate on crafting policies that promote inclusive growth, building on existing frameworks such as the National Development Plan and the Agriculture and Agro-processing Master Plan.

Journey to China: A transformative training experience in agriculture



Earlier this year, Tebogo Molepo (an Agricultural Economics intern at Fruit SA, at the time) had a watershed opportunity to attend a specialised training programme in China, titled "Technologies of Agricultural Mechanization to Ensure Food Security Under the Global Development Initiative for Developing Countries". The programme (which ran from 23 August–12 September) provided an invaluable platform for knowledge-sharing in the face of escalating global challenges like food security, climate change, and a growing need for sustainable agricultural practices.

“The intensive training was designed to equip participants from various developing countries with the essential competencies required to advance agricultural mechanisation, and to promote sustainable practices,” he recalls. Throughout the expert-led programme, attendees delved into sustainable farming techniques, efficient resource management, and innovative mechanisation strategies aimed at enhancing productivity and ensuring food security, says Tebogo. He found the imparted insights invaluable, also, that they could be directly applied to explore future opportunities within the field.

On this remarkable trip, Tebogo also had the opportunity to explore China’s diverse agricultural landscape, visiting orchards and facilities that showcased unique cultivation and mechanisation practices. He sampled local dishes that featured mostly fruits and vegetables, reminiscent of the integral role of agriculture in Chinese culture. The trip was

funded by the Ministry of Commerce of the People's Republic of China, and the Department of Agriculture, Land Reform and Rural Development facilitated the application process

For Tebogo, this transformative experience broadened his professional horizons and deepened his understanding of the global agricultural market. “I highly recommend similar learning opportunities to anyone in the agricultural sector looking to grow both personally and professionally.”

MARKET ACCESS

An update from Fruit SA

By Mono Mashaba (Specialist Consultant: Market Development)

South Africa reflected a quarter-on-quarter economic growth rate of 0.4% for Q2 2024 (following a 0.1% contraction in Q1). And the gross value added by agriculture showed a contraction of 2.1% in Q2 (Stats SA, 2024).

The economic viability of the agriculture sector – and certainly, the fresh fruit industry – is vital for food security.

This export-oriented industry – trading more than 60% of its fruit in international markets – supplies <330 000 on-farm jobs that help put food on the tables of >1.1 million dependents.

To keep this up, the industry requires international markets that are conducive to retaining and growing market share. But changing market dynamics in traditional markets like the EU

and UK – among other contributing factors – have necessitated a maintained focus on exploring alternative markets like Asia.

Industry visit to Thailand, the Philippines, South Korea and Japan (30 September–11 October)

The goal of this trip was for industry representatives – in their engagements with public and private stakeholders in the prioritised countries – to advocate for improved market access conditions and accelerated conclusion of market access negotiations, as well as to promote the South African “fruit basket”. Read more [here](#).

SUSTAINABILITY



The Climate Change Act and the fresh fruit industry

Following a 13-year pause, President Cyril Ramaphosa signed the Climate Change Bill into law in July. The Act aligns South African policies with global climate change commitments, such as the Paris Agreement.

Cognisant of the growing impact of climate change on agriculture and, of course, the fresh fruit industry, Fruit SA reached out to industry experts for comment on the anticipated ramifications of the Act.



The Climate Change Act introduces Sectoral Emission Targets (SETs), also known as greenhouse gas (GHG) emission reduction goals, highlights Victor Mouton, Agricultural Economist and SIZA Sustainability Manager. SIZA is part of a working group for the agriculture sector that focuses on “Scenario analysis to quantify mitigation potential and costs, and barriers to implement mitigation policies and measures”. The SIZA Environmental Standard under principle 3: “Shifting to alternatives”, does look at whether a GHG assessment has been done and if there is an emission reduction plan that is reviewed annually during a SIZA Environmental Audit.

Therefore, since most of these climate related practices are already included as part of the SIZA Environmental Standard requirements, SIZA foresees these potential advantages for the fresh fruit industry, originating from effective

implementation of the Standard, in accordance with being audited and obtaining a SIZA Environmental certification:

- A shift towards a more sustainable and emission-conscious industry, resulting in South African producers' sustainable competitiveness in the global export market, once a producer has successfully completed an environmental audit.
- Alignment with UN Sustainable Development Goal (SDG) 13 – climate action – in which the sector can play a significant role. SIZA completed a benchmark against the UN SDGs to ensure that all is covered in the SIZA Standard.
- Producers actively helping to reduce reliance on fossil fuels and meeting carbon budgets by investing in energy-efficient technologies – for example, in cold storage, packhouses, and transportation – and shifting to renewable energy sources for on-farm operations.

However, depending on how effectively farming enterprises transition to meet the requirements in accordance with the Act and its set industry trajectory, on the one hand:

- Economic resilience stands to be enhanced through climate risk reduction.
- Green industries can introduce job opportunities in the form of construction and installation operations, maintenance, as well as manufacturing.
- Industry output stands to be stabilised.

While:

- Industry costs could increase, and profits could be reduced as producers invest in sustainable technologies and renewable energy, to adhere to the sustainability requirements of the markets they supply.
- Higher operational costs could push up inflation, especially in food prices.

Overall, says Victor, compliance with the Act can benefit the fresh fruit industry greatly because:

- South African producers are already required to comply with the SIZA Environmental Standard, which aligns with international compliance standards. Therefore, producers can use their compliance as a selling point to access local and international markets, where relevant.
- Programmes such as SIZA, in partnership with Confronting Climate Change, provide a cost-effective approach to facilitating sustainability compliance.
- The SIZA Digital Recordkeeping Programme allows producers to measure their outputs effectively, obtain insights into their production practices, and utilise this data over time to have a carbon footprint calculated by an approved GHG Emissions Specialist. One cannot prove compliance without real-time data.



Nitasha Baijnath-Pillay, Hortgro Resource Management and Sustainability Manager, recounts that the agriculture sector –

led by AgBiz – approached the Department of Agriculture, Land Reform and Rural Development with a request to further discuss the development of applicable SETs for agriculture with the Department of Forestry, Fisheries and the Environment. This was to ensure that they were realistic and that they would not jeopardise growth in the sector.

At the conclusion of focused engagement between agriculture and the Department of Forestry, Fisheries and the Environment (DFFE), the Department of Agriculture, Land Reform and Rural Development will develop a Sector Adaptation Strategy and Plan for agriculture.

Through its Resource Management and Sustainability Programme, Hortgro aims to facilitate deciduous-fruit producers' implementation of environmentally conscious solutions in their everyday decisions and actions.

Current interventions for pome- and stone-fruit producers include:

- tracking and benchmarking GHG emissions across operations and supply chains via Confronting Climate Change projects
- improving soil health
- monitoring and reducing waste:
 - reducing their reliance on non-renewable resources
 - committing to precision agriculture at the farm level

- targeting resource-efficiency by assessing water usage and – importantly – saving costs.

Guided by its Climate Change Response Strategy for the Deciduous Fruit Industry, Hortgro also maintains a keen focus on long-term adaptation planning, and supports producers who require reliable, science-based information to guide their decision-making in the different production regions where climate characteristics vary, says Nitasha. Therefore, Hortgro has established a Pro-Hort ecophysiological platform together with Provar (a cultivar and rootstock evaluation company), and an online science-based practitioners' handbook on climate change risks, impacts and adaptation responses for local pome- and stone-fruit producers.

"Furthermore," adds Hortgro Executive Director Anton Rabe, "we are currently undertaking a Water Availability Strategy for the industry. Strategies like these will prioritise the most relevant, appropriate, and vital interventions to tackle climate change impacts on pome- and stone-fruit production".

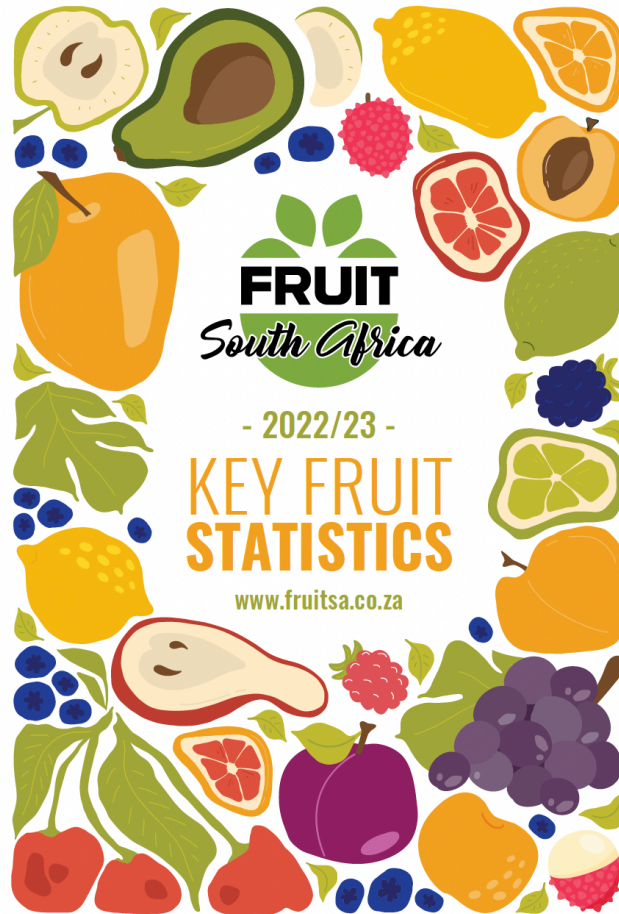


Industry Affairs Manager Albert Coetzee believes that green finance and government subsidies should take centre stage when it comes to the substantive conversion costs linked to the implementation of new technologies. And with the Carbon Border Adjustment Mechanisms on the horizon, notes Albert, the Act can also help structure the industry framework around financing.

As for keeping growers informed, the CGA hosts a bi-monthly Citrus Sustainability Forum where various aspects of sustainability and food safety are relayed to growers, packhouses, and exporters. In fact, at the time of writing, the CGA planned to update growers and citrus industry stakeholders on the Act and the SET process at the next Forum.

So, though the fresh fruit industry of South Africa doesn't have all the answers to a fool-proof climate adaptation methodology, role-players are focused on maintaining a proactive approach to ensure industry compliance, relevance and viability.

INFORMATION MANAGEMENT AND COMMUNICATION



Fruit SA Statistics Booklet – 2022/23 season

The latest Fruit SA Statistics Booklet is out.

As a vital part of the industry information management agenda, the booklet provides key statistics of the fresh fruit types represented by Fruit SA member associations, for the applicable season.

Providing a clear snapshot of the South African fresh fruit industry, the booklet has become a go-to resource from which to garner a good understanding of the industry. It reflects growth in total area planted, production, exports, distribution across various market segments, on-farm

employment, imports, and historical price trends. Exports remain the largest market for represented South African fresh fruit.

Click [here](#) to access the Fruit SA Statistics Booklet.

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