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Newsletter | Mar-Apr 2025

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CEO's note



We were heartened by a third consecutive improvement in the Agbiz/IDC Agribusiness Confidence Index (ACI) to 70 points in Q1 2025. This upward trajectory in South African agribusiness confidence is significant, given major headwinds and uncertainties currently afflicting the sector, such as geopolitical tensions.

As for government and stakeholder relations – a key strategic focus – aligned policy reform remains high on the industry radar, especially regarding increased efficiencies in the South African ports and terminals. In this vein, the industry is encouraged by a growing commitment from government to strengthen ties for widespread economic benefit.

Fruit SA board members met with Agriculture Minister John Steenhuisen in Pretoria in April, to discuss matters that serve to uphold the reputation of “Team South Africa” as a reliable supplier of quality fresh fruit to global markets.

And I appreciated the opportunity to highlight the importance of our industry, market access challenges, and opportunities for young farmers at the G20 Agriculture Working Group meeting in eThekweni on 23 April 2025. Comprising 35% of all agricultural exports of South Africa, the socio-economic contribution of the South Africa fruit industry cannot be downplayed. However, sustained growth in exports is dependent on policy certainty and the absence of trade barriers.

Fhumulani

TRANSFORMATION

Fruit SA/Subtrop Transformation Showcase, Limpopo



Panel discussion led by AGDA CEO Leona Archary. Photo: Khula Smart Farming

The collective industry goal is to be fully transformed by 2038 with Black Economic Empowerment (BEE) growers participating meaningfully throughout the value chain, contributing 30% each of fruit production and exports, and constituting 15% of value chain ownership.

So, when Fruit SA and the Subtropical Growers' Association collaborated to host a transformation showcase on 19 March at Tshivhase Agridam Farm outside Thohoyandou, Limpopo,

the conviction was clear: this is not an event; it's a showcase of output from protracted, focused collaboration for inclusive growth.

In a robust panel discussion at the well-attended showcase, invited government representatives and banking executives interrogated their experience of working with new entrants and black participants in the industry. The panel was led by Agricultural Development Agency (AGDA) CEO Leona Archary, where the importance of collaboration and timely support – among other matters – was emphasised.

Showcases like these are key in displaying to key stakeholders, real-life examples of the impact of focused transformation initiatives.

Click [here](#) for pictures from the showcase.

MARKET ACCESS

A growing focus on diversification

The industry focus on market access is three-pronged – access into new markets, retention of current markets, and

optimisation of access requirements in current markets.

Industry exports total around 60% of overall output to more than 100 global destinations.

While maintaining focus on all the export markets of the industry (including the traditional ones) is important, expanding access into high-growth potential markets in the Far East and Asia, is imperative. Especially because there's a growing appetite in these markets for the world-class fruit of South Africa.

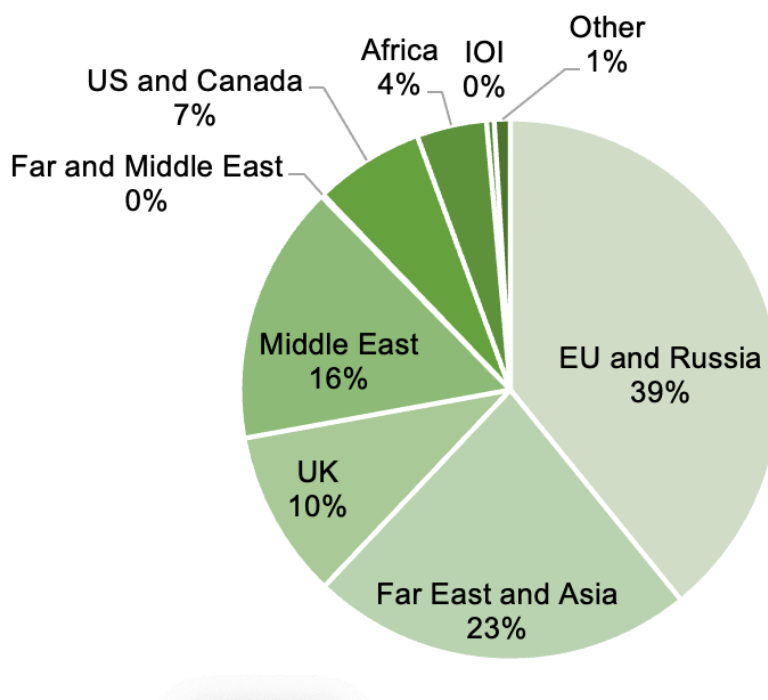


Figure 1: Fruit exports per market segment – 2023

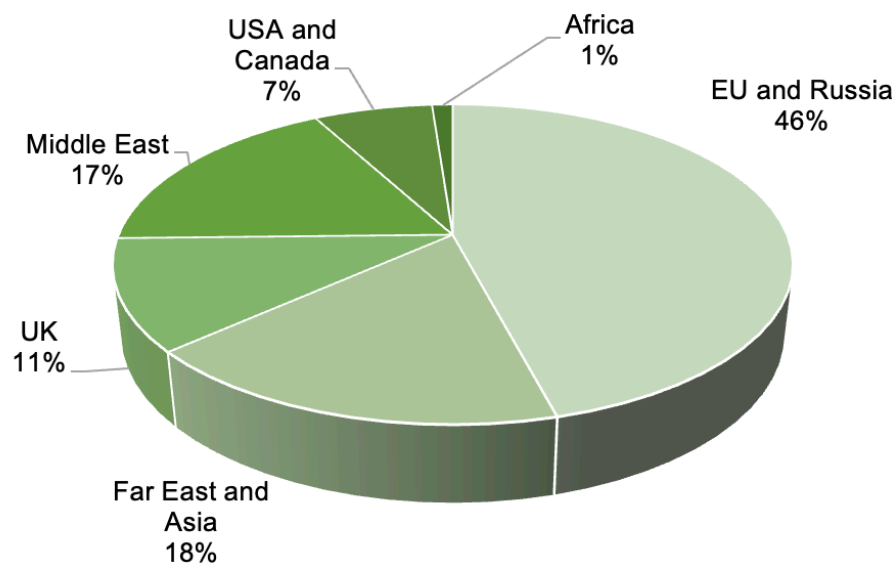


Figure 2: Fruit exports per market segment – 2020

The Asian market continues to show impressive growth, with 23% of South African fruit exports heading to the Far East and Asia in 2023 (**Figure 1**). This is an uptick from 18% in 2020 (**Figure 2**). This upward trend is set to continue as new market access has been secured in China, Japan, and the Philippines. Additionally, the reopening of the Thai market for South African apples marks another significant milestone for the industry.

The growing potential of this promising market was reinforced at the recent Fresh Produce India trade show, where a panel discussion highlighted Indian consumers' growing appetite for South African fruit. A key consideration was also emphasised

in the dialogue: while the demand is evident, the ability of South Africa's supply chain to consistently meet this demand will be critical to unlocking the full potential of this expanding market.

A delicate ecosystem



The ecosystem that drives export success for South African fruit to international destinations is rather delicate. Comprising relevant government departments (local and abroad), embassies, importers of South African fruit, and local exporters and growers, the effectiveness of this network can be jeopardised by even the slightest lapse in synergy, with far-reaching – and even cataclysmic – economic repercussions.

A case in point is an administrative phytosanitary error in South African apple exports to Thailand that resulted in a 16-year halt that was only lifted this year.

Identifying and mitigating significant hindrances in efficient export also ranks high on the industry radar. The Bureau for Food and Agricultural Policy (BFAP) clocked the total cost of inefficient logistics in 2024, at R5.2 billion for the citrus sub-sector alone. And this number was even deemed conservative at the recent biennial Citrus Summit. Other fruit types have also suffered big losses due to inefficient logistics.

Hence, Transnet continues to be a key strategic partner of the industry, in pursuit of efficient logistics and seamless fruit exports.

SUSTAINABILITY



The EU Packaging and Packaging Waste Regulation

Notwithstanding significant complexity and duplication in sustainability compliance requirements relating to the global fresh produce trade, role-players in the South African fruit industry remain committed to compliance.

The new EU Packaging and Packaging Waste Regulation (PPWR) took effect on 11 February 2025, with a general application of the regulation starting on 11 August 2026.

Sustainable practices are standard in the fruit industry of South Africa. Therefore, industry is adapting innovatively to

smarter practices. This does, however, present a juggle between compliance and ensuring that South African world-class fruit seamlessly meet quality standards in international markets.

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