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Newsletter | May-Jun 2025

Contents

CEO's note

For many South Africans, June is – rightfully – reminiscent of poignant memories, mainly linked to Youth Day.
This month also presents a midpoint that tends to prompt an involuntary look backwards and forward.

As a sector and an industry, we've been confronted with a mixed bag of events since the beginning of the year that has left us with a pivotal choice to either give in to negativity and inertia, or to continue to innovate and push forward.

On the trade front, in Q1 2025 local agricultural exports climbed by 10% to $3.36 billion (R60.2 billion). This has been partly attributed to steady improvements in port performance and increased shipments to the US. Although Europe and the UK remain dominant export markets for South African fresh fruit, a robust export diversification strategy has led to a steady uptick in fruit exports to Asia and the Middle East. In fact, in May an MoU was signed between Fruit SA and the China Agricultural Wholesale Markets Association (CAWA), on cooperation in the trade of fruits and agricultural produce that holds mutual benefit for the two countries. Given CAWA's robust foundation within the Chinese agricultural supply chain, this development adds notable momentum to the GRO (gain, retain and optimise) market strategy of the local fresh fruit industry.

As for the policy and regulatory environment, this year we had the signing into law of the Expropriation Act that has sparked mixed emotions; ongoing concerns around whether South Africa will continue to participate in the Africa Growth and Opportunity Act (AGOA); and South Africa has assumed the coveted role of G20 presidency in 2025 – a critical opportunity to advocate effectively for agricultural reform on a global scale.

Climatically, some subsectors in the industry are still recovering from erratic weather patterns in 2024. But with a generally positive weather outlook for 2025 and ongoing smart farming practices, we look forward to better outcomes.

Indeed, we cannot control how the rest of 2025 will pan out, but we can continue to innovate and push forward as a collective.

Fhumulani

TRANSFORMATION

Subtrop Transformation Summit, 22 May 2025

Fruit SA was pleased to facilitate the “Empowering emerging growers” session at the Subtropical Growers’ Association (Subtrop) Transformation Summit in Letsitele, Limpopo.

Following the Fruit SA-Subtrop Transformation Showcase in March, this annual event provided a critical platform for discourse around transformation challenges in the subtropical fruit subsector. It also presented a forum to explore avenues for sustainable economic development and overall inclusive growth.

At the event, Department of Agriculture Director-General Mooketsa Ramasodi asserted that transformation and economic growth are mutually inclusive. His address set a thematic scene of economic participation, empowerment, commercial viability, competitiveness and self-sufficiency in business.

Emphasising the importance of structural support in transformation, Princess Mogale from the Citrus Growers' Association Grower Development Company (CGA-GDC) shared how, since 2018, a total investment of R127 million has been instrumental in facilitating improved access to finance, business development support, and compliance for emerging growers.

And the panel discussion, driven by growers for growers, made for an ideal opportunity to articulate growers' challenges accurately, and to proffer suited mitigations.

Forums like these are vital levers for realisation of the overall goal of the South African fresh fruit industry to, by 2038, have a fully transformed sector with Black Economic Empowerment (BEE) growers participating meaningfully throughout the value chain; contributing 30% each of fruit production and exports; and constituting 15% ownership within the value chain.

Growing the next generation

In Youth Month, this haunting quote by Former President Nelson Mandela hits home: "There can be no keener revelation of a society's soul than the way in which it treats its children”.

According to StatsSA approximately 21 million young people account for 33.1% of the South African population.

Painting a grim 10-year picture, they report that the number of young active job seekers who were unable to find work jumped from 36.8% in 2014 to 45.5% in 2024. And those young people who were not in employment, education, or training (NEET) marked a 5% increase from 2014, reaching 43.2% in 2024.

The fresh fruit industry of South Africa has joined hands internally and has also collaborated with government and educational institutions to drive meaningful, inclusive growth by actively integrating the youth. Bursaries, learnerships, and leadership programmes count among various initiatives to achieve this important goal and to maintain the momentum.

However, by this critical stage, role-players in all economic sectors should collectively acknowledge having failed this vital demographic, to varying degrees. But with measurable plans and decisive action, together with government, meaningful strides can be made.

MARKET ACCESS

A partial performance snapshot of the 2024/5 season

Gaining, retaining and optimising markets are the lifeblood of the R80 billion fresh fruit industry of South Africa. And achieving this feat hinges heavily on focused collaboration and accountability throughout the value chain.

Hence, any degree of related growth is a win that reverberates throughout the industry.

In the 2024/5 season, the citrus subsector (**Figure 1**) saw the EU absorbing the lion's share once again with 36% imported, followed by the Middle East (19%) and Asia (10%).

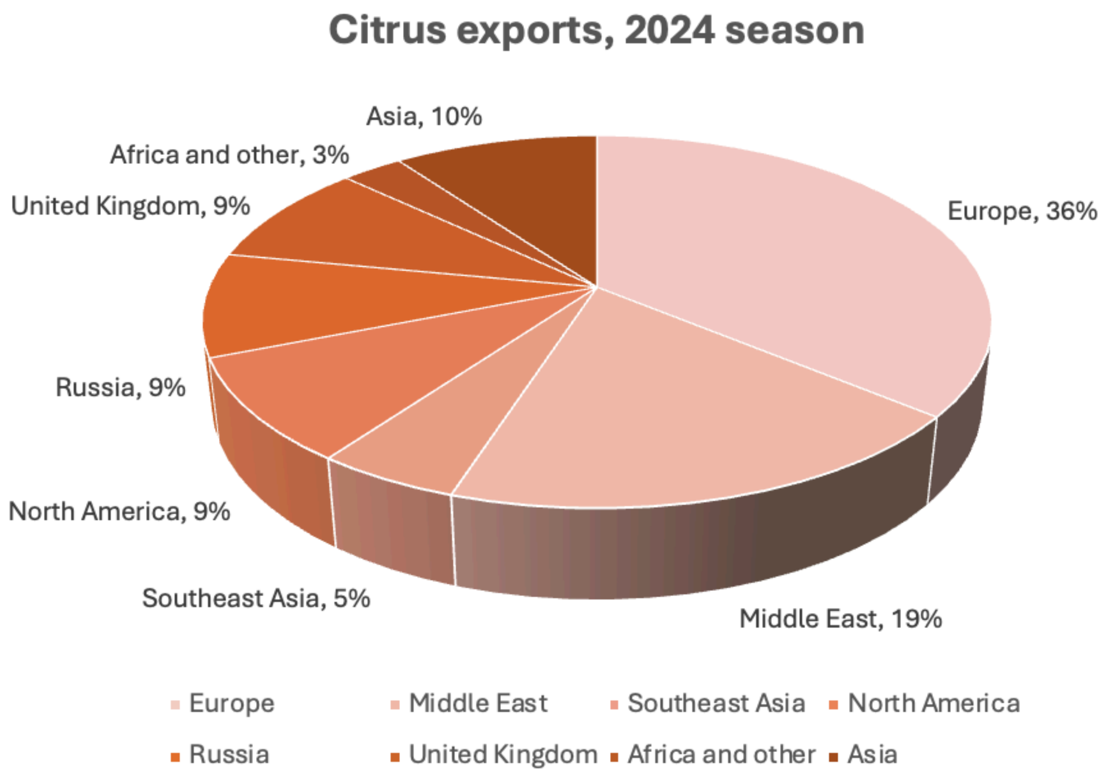

Figure 1: Citrus export market share, 2024

The South African Table Grape Industry (SATI) body recorded a 5% year-on-year seasonal increase, with 77.8 million export cartons (4.5 kg equivalent).

Europe and the UK remain dominant export markets (**Figure 2**), collectively absorbing 76% of South African table grapes. North America (Canada and the USA) also showed growth, reflecting a 28% increase (7.5 million cartons) from the previous season.

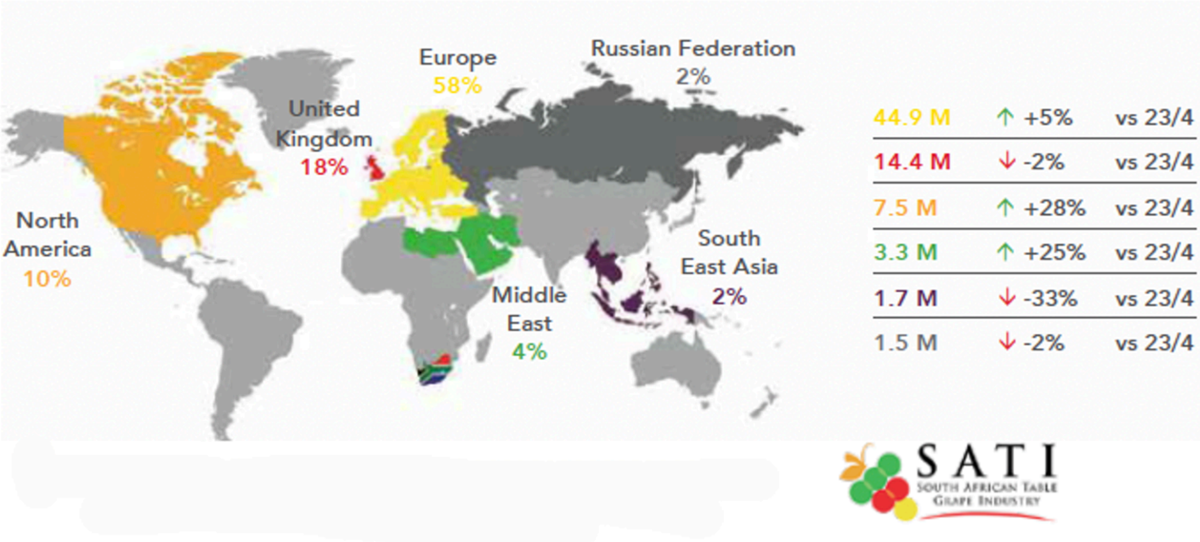

Figure 2: SA table-grapes exported globally in the 2024/5 season

The collective stone-fruit market share for the 2024/5 season can be seen in **Figure 3**. This subsector showed a mixed bag of export numbers. At 22%, plums and prunes boasted the highest export growth rate for stone fruit, with Europe importing 44% of the 13.8 million exported cartons.

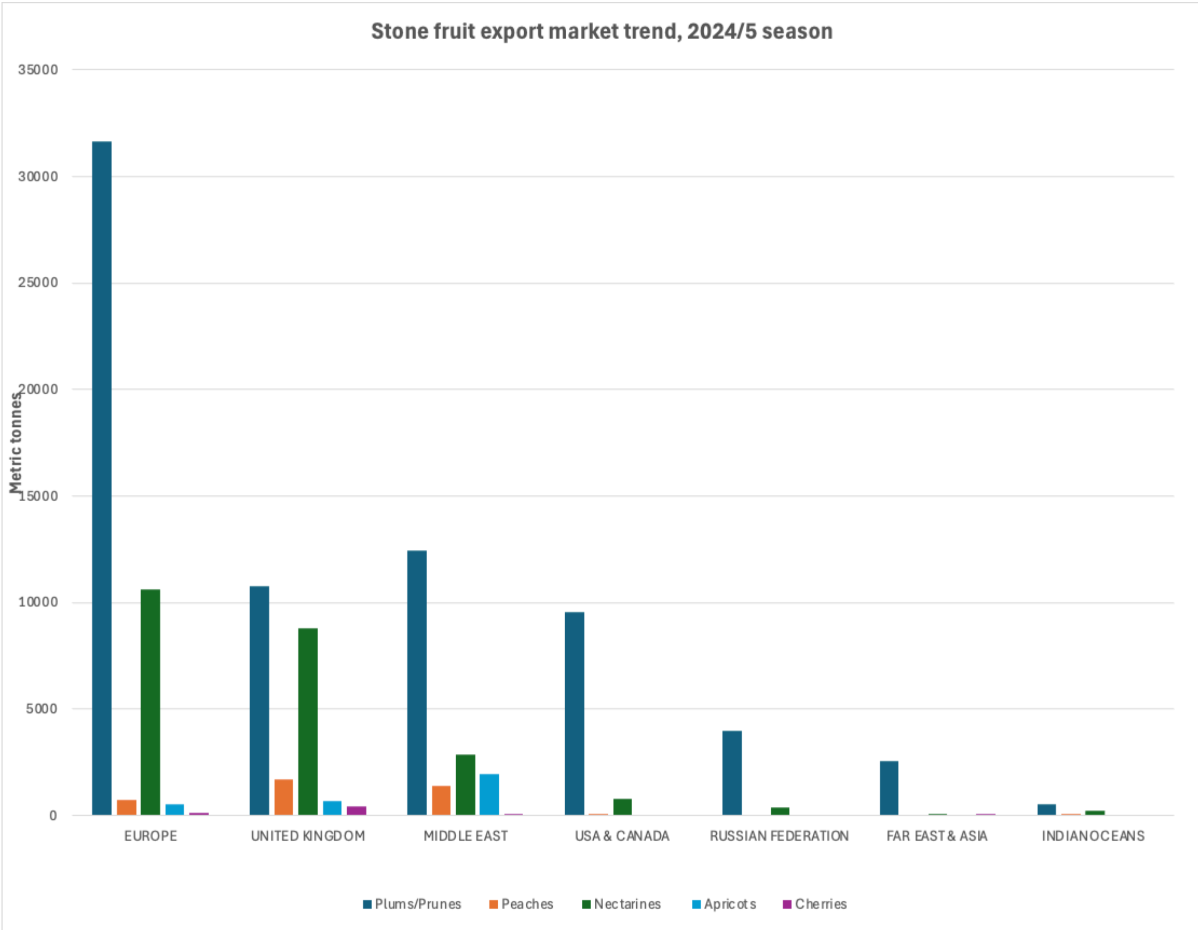

Figure 3: Europe continues to dominate in stone-fruit imports

Nectarine and apricot exports climbed respectively by 16% and 50% (the strongest relative rate). And the Middle East led demand for apricots, importing 60%, and Europe for nectarines with a 45% import rate.

Cherry exports reflected a modest uptick of 2%, whilst the number for peaches fell by 4%.

And, continuing a steady 20-year upward trajectory, blueberry exports for the 2024/5 season showed a 4% uptick from the previous season to 22 538 tonnes. Once again, Europe and the UK showed the highest imports of 8 908 and 9 311 tonnes respectively (**Figure 4**).

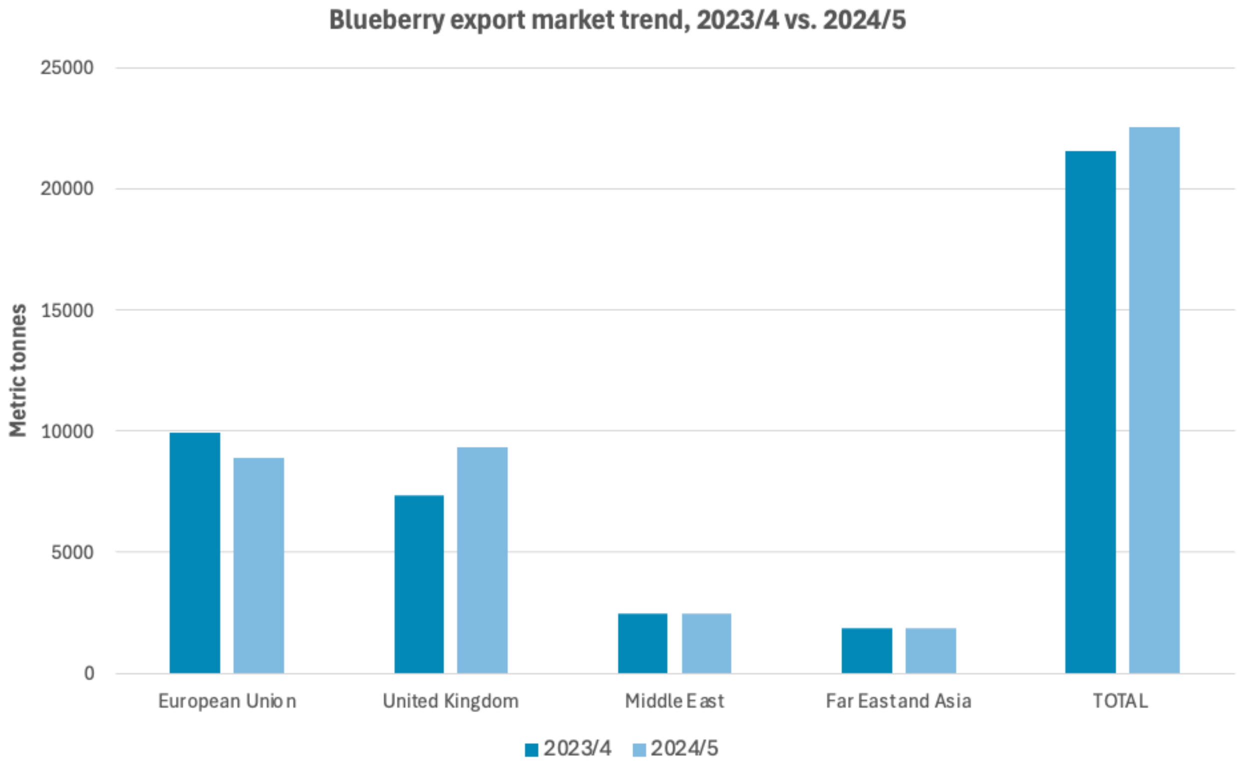

Figure 4: Blueberry comparative export market trend, 2023/4 vs. 2024/5

To grow and sustain this momentum, stakeholders must continue to invest in infrastructure; diversify markets; and innovate across the supply chain.

SUSTAINABILITY

Healthy ecosystems ensure resilient supply chains

Carrying the theme "Harmony with nature and sustainable development", International Day of Biological Diversity – observed in May – resonates with the environmental focus in the South African fresh fruit industry.

Fruit SA spoke to SIZA Environmental Specialist Matthew Guest about the significance of applied biosecurity in the global fresh produce trade, and its impact on South African trade in this competitive arena.

Q: ***With growing global environmental awareness in the fresh produce trade, how has biosecurity been elevated as a criterion for trade?***

A: These factors typically confirm the growing importance of biosecurity as a mandatory yardstick for trade:

- more stringent international regulations within regulatory frameworks
- increased market and retailer requirements, with biosecurity as a commercial imperative
- recognition for the undeniable links between plant and animal health, and human well-being to promote a holistic approach to addressing biosecurity risks like invasive alien plant (IAP) species
- traceability requirements to enhance biosecurity through rapid response to contamination or outbreak events – and ultimately, a net zero target in 2050.

Q: ***How does robust biosecurity help drive sustainability and enhance SA's competitiveness in the global arena?***
A: It enhances environmental stewardship (as a prerequisite for access into certain markets) and unlocks high-value markets by:

- managing pests and diseases to protect natural assets and related ecosystems, and reducing reliance on chemical inputs
- conforming to and complying with biosecurity protocols.

These vital measures help improve South Africa's export credentials and enhance its competitiveness in fresh produce trade.

Q: ***What is SIZA's role in facilitating sustainability practices for enhanced competitiveness? And how can SA***

growers/the fresh fruit industry collaborate better with SIZA for an improved overall outcome?

A: Through training initiatives, practical documents, templates, videos, and multilingual resources SIZA plays a critical role in driving compliance with the SIZA Standards that are based on South African legislation and market-based requirements. Importantly, the SIZA Environmental Standard, as well as the overall programme, are built on all the pillars of environmental sustainability. This ensures a holistic approach to implementing effective sustainable management practices.

Sustainable practices being standard in the fruit industry, role-players continue to facilitate an adaptive, innovative approach through smarter farming.

Visit www.siza.co.za for more information.

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