FRUIT SA NEWSLETTER JAN-FEB '26

CEO's Note

In the Jan–Feb '25 newsletter, I highlighted agility and consistent efforts as trademarks of the South African fresh fruit industry.

Last year saw the industry navigate, with these qualities, yet another year that came with its fair share of challenges.

However, this alone is not enough to maintain a steady upward trajectory for industry growth. Among other things, an efficient logistics ecosystem, robust infrastructure, adequate and appropriate funding mechanisms for industry players – particularly for black participants – and market access remain key priorities. These underscore the need to continue prioritising and maximising collaboration and public-private partnerships.

Thus, it was heartening to note parts of the State of The Nation Address (SONA) 2026 that resonated with the fruit industry. Among them are President Cyril Ramaphosa's confirmation of South Africa's active contribution to implementation of the African Continental Free Trade Area Agreement (AfCFTA); reference to the rapid expansion of the agriculture sector; expanded support for the manufacturing of green products for global markets (which signals hope for expedited registration of related agricultural products); declaration of a State of Disaster to combat Foot-and-Mouth Disease (which bodes well for the country's disease-management stance); mention of a substantial injection into the Blended Finance Scheme for black growers; and reiteration of South Africa being the second-largest citrus exporter, with a specific mention of significant market-access advancements in the fruit sector.

Excerpts from the recent Budget Speech 2026 by Finance Minister Godongwana that resonate with the industry include targeted investment in water infrastructure and related projects, and re-affirmed focus on growth-enhancing infrastructure and implementation of structural reforms (which stand to mitigate rail and port inefficiencies).

Industry players' vested interest in key national events such as the Budget Speech and SONA stems from the distinct symbiosis in the relationship between the South African fresh fruit industry and the government.

On the global stage, the fruit industry participates annually in major fresh produce trade shows like Fruit Logistica Berlin, which bring together players in the global fresh produce trade. This year, it was gratifying to observe the vibrant interactions between South African exporters and growers, and their trading partners and other associates. We are thankful to the Department of Trade, Industry and Competition for funding the 250 m^2 pavilion, which was a beacon of industry pride at this 33rd iteration of the trade show.

There, the Southern Hemisphere Fruit Alliance (SFA) – the representative body for the southern hemisphere fruit industry – also launched its first-ever yearbook. I was pleased to join industry representatives in addressing the audience at this event, to give an overview of our industry.

So, this being our first newsletter edition this year, I look forward to our continued navigation of challenges, with agility and consistency.

TRANSFORMATION

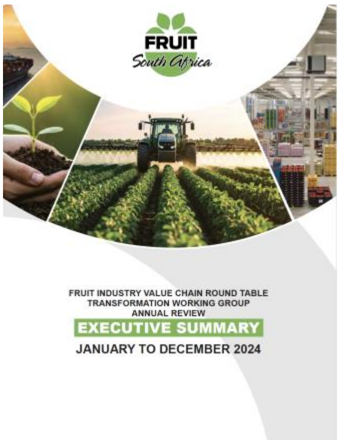
Navigating a weighty legacy
The South African fresh fruit industry has not been spared the political legacy embedded in the history of the country.

Therefore, when it comes to transformation, it is important for industry players to continue to cultivate a deep understanding of, and appropriate responsive actions to the significant related challenges faced by black participants.

A survey done at the last Transformation Showcase, held in the Limpopo Province, ranked partnerships and collaboration, and access to finance the highest among the preferred panel discussion topics of the day. This is an important indicator for targeted focus areas to drive economic development.

The 2024 y-o-y performance of black growers showed an uptick in most of the focus areas, and the export-volume difference ranked the highest at 21.95% – super-encouraging. However, much still needs to be done to ensure that black participants' businesses are sustainable and profitable. For this, strengthened public-private partnerships are vital.

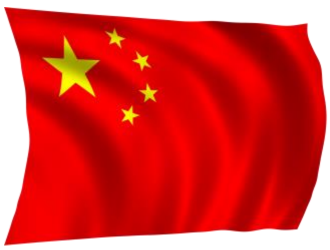
Hence, the collaborative injection into the Blended Finance Scheme mentioned by President Cyril Ramaphosa during SONA, that has provided R7.8 billion in innovative funding to black growers, attests to the positive impact of effective public-private partnerships. Industry players welcome the gesture, but continue to advocate for streamlined, coordinated funding for accelerated economic development and improved efficiency.



If you haven't yet, download the condensed version of the Fruit Industry Value Chain Round Table (FIVCRT) Trade Working Group (TWG) Annual Review 2024 **here** for a snapshot of latest published industry progress in transformation.

MARKET ACCESS

The markets dictate industry success



Amidst a growing global certainty deficit, it is important for the South African fresh fruit industry to pursue – with intensified focus – its strategy to grow, retain and optimise markets.

Asia remains a key market on the industry's diversification radar.

Hence, it was heartening when South Africa recently became the 33rd African country to sign a framework agreement for zero-tariff trade through the China-Africa Economic Partnership for Shared Development. This will significantly boost bilateral trade and economic relations. Additionally, the first consignments of stone fruit – which included nectarines, prunes and plums – have already been shipped this year.

On the US front, developments that have held the interest of industry players are the one-year renewal of the African Growth and Opportunity Act (AGOA), with South Africa remaining on the list of eligible beneficiary countries. And following the loss by the US in the reciprocal tariff case at the Supreme Court, President Trump's increase of the import tariff – under Section 122 of the Trade Act of 1974 – from 10% to 15%. This impacts all products excluded from the exemption list issued last year.

Notably, the 15% tariff also applies to Chile, Peru and other exporters that do not have preferential trade agreements in place with the US. Hence, this development places South Africa on a more level competitive footing in the US market.

It is not uncommon for market-access efforts for South African fruit to span more than a decade (a challenge that industry players are working with government to resolve). In the case of table-grape entry into the Korean Republic, it took 20 years of collaboration, tireless negotiations and administrative toiling.

This feat sparks hope for more commodities to also gain access to the Republic, as up until now, South Korean consumers' enjoyment of South African fruit is limited to oranges, grapefruit and lemons.

It is vital for industry players to continue to celebrate every market-access milestone, to highlight opportunities within a specific market, as well as to boost industry morale.