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OPINION

JOHN STEENHUISEN: Expanding SA's agricultural footprint in Japan

Our visit to Tokyo to explore ways to deepen trade relations is bearing fruit with many exciting opportunities ahead

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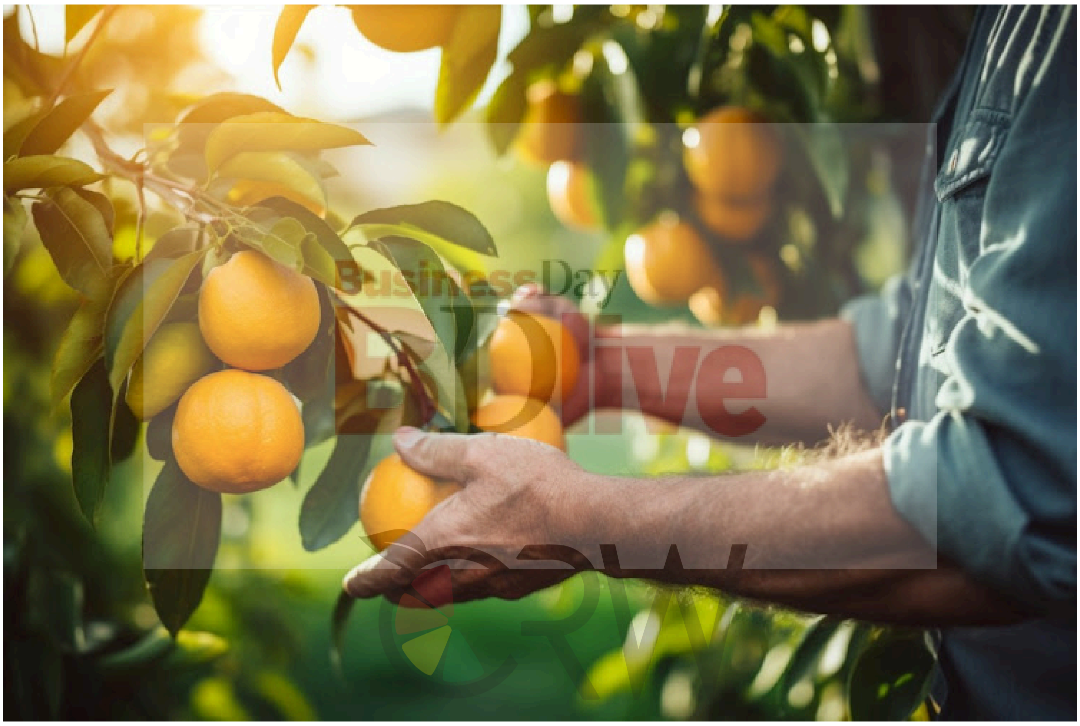

Agriculture remains one of the key drivers of SA's economy, says the writer. Picture: 123RF

SA's agricultural sector stands at a crossroads, requiring fresh market opportunities to sustain growth and resilience in an unpredictable global trade environment.

With the future of the African Growth and Opportunity Act (Agoa) uncertain, there is an urgent need to establish stronger trade relationships that will secure the sector's long-term stability.

If Agoa is not renewed, billions in export revenue could be at stake, local producers could face higher tariffs, and significant employment losses could follow.

From March 15-20 I accompanied deputy president Paul Mashatile on an official visit to Tokyo to explore ways to deepen trade relations in the agricultural sector.

Despite the vast potential in this market, engagement at the highest level has been limited, which has delayed key negotiations and hindered broader access for SA agricultural exports.

Japan's agricultural imports exceed $70bn annually, yet SA contributes only a small fraction of this total. In 2023 our overall exports to Japan stood at $5.75bn, with agricultural products making up only a modest share of that amount.

Given SA's reputation for high-quality, sustainably grown produce, there is significant untapped potential in the Japanese market. With Agoa at risk and shifting global trade dynamics, diversifying into stable and high-value economies like Japan is no longer optional — it is an economic necessity.

Japan's growing market demand

Agriculture remains one of the key drivers of SA's economy. In 2024, the sector recorded an export value of $13.7bn (R255bn) — a 3% increase from the previous year — driven by strong performances in citrus, grapes, maize, apples, pears, nuts and wine.

These figures reflect the industry's resilience in the face of droughts, biosecurity challenges and economic downturns, and the effectiveness of policies aimed at improving market access.

Despite this, SA agricultural exports account for just 8.2% of Japan's total food imports, with even smaller penetration in key product segments. However, certain commodities present promising opportunities in this market:

- **Avocados**: After years of rigorous inspections and trade negotiations, Japan approved market access for SA Hass avocados in 2023. The first shipment arrived in August 2024, marking a significant milestone for SA exporters. With Japan's avocado consumption growing steadily due to increased awareness of its health benefits and versatility in various

- **Wine:** SA wine exports reached $562m in 2024, with the UK as the primary market at $145m. Meanwhile, Japan imported $1.2bn worth of wine in 2023, with an increasing preference for premium and sustainably produced wines — an area in which SA can offer competitive value.
- **Macadamia and pecan nuts**: Japan has shown a rising demand for macadamia nuts, largely driven by their use in confectionery and snack products. Although pecans remain a niche product, demand is increasing as Japanese consumers explore more plant-based, health-conscious food options.

SA has also formally applied for access to three additional high-value fruit categories through Japan's ministry of agriculture, forestry & fisheries:

- **Mangoes.** SA's premium mango varieties, cultivated mainly in Limpopo and Mpumalanga, are ideal for Japan's fresh fruit market and confectionery sector. Current Japanese imports are from Mexico, Peru and the Philippines, making this a prime opportunity for SA producers — provided that strict phytosanitary standards are met.
- **Navel orange varieties.** While some citrus exports to Japan are already permitted, expanding access to include additional navel orange varieties would allow SA citrus growers to reduce their dependence on traditional European markets.
- **Fresh persimmons.** A premium fruit in Japan, persimmons are highly valued and are commonly used as gifts. Although Japan produces its own persimmons, imported varieties help extend the seasonal availability. Gaining access to this market would provide SA growers with a niche but lucrative opportunity.

Securing approval for these fruit categories would further solidify agricultural trade between SA and Japan, offering new business avenues for the sector to expand into high-value Asian markets.

Tackling trade barriers and logistics constraints

Gaining market access is only the first step. Japan enforces some of the world's most stringent sanitary and phytosanitary regulations, requiring exporters to meet exceptionally high food safety and pest control standards. The ongoing applications for mangoes, navel extensive pest risk assessments, compliance protocols and facility inspections before approval is granted.

Beyond regulatory hurdles, logistical and infrastructure challenges must also be addressed. SA's ability to remain competitive in the Japanese market will depend on improving cold chain logistics, port operations and rail transport efficiency to ensure fresh produce arrives in peak condition. Without this, SA exporters will struggle to match the supply chain efficiency of Chile, Australia and the US, all of which have well-established logistics networks servicing the Japanese market.

Building stronger trade partnerships

Success in Japan will not be secured through a single trade agreement but through a long-term partnership built on trust, consistency and reliable quality assurance.

The Japanese market is highly discerning, with consumers and retailers placing significant value on sustainability and traceability in food supply chains. SA is well-equipped to meet these standards, but stronger co-ordination between government, industry players and logistics operators will be needed.

The visit to Tokyo was more than just an exploratory mission; it was about positioning SA as a long-term, dependable supplier in an increasingly competitive global market. Deepening agricultural trade with Japan will also serve as a model for expanding into other Asian economies, ensuring the growth and sustainability of the sector.

Historically, SA has relied heavily on European, Chinese and American markets for its agricultural exports. However, recent global trade disruptions have underscored the risks of depending too heavily on a few key regions. Strengthening economic ties with Japan and other Asian economies is not just an expansion strategy, it is a strategic safeguard against geopolitical instability.

Looking ahead

By focusing on quality, consistency and innovation, SA agriculture can unlock long-term prosperity through new trade partnerships that

This visit yielded many exciting opportunities as we will be signing a memorandum of understanding with Japan in September at the G20 Summit.

As we continue this journey, we do so with the confidence that SA has the expertise, the products and the determination to succeed in one of the world's most lucrative markets.

• Steenhuisen is agriculture minister.