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Newsletter | Jan-Feb 2024



CEO's Note

Thank you for your interest in this first newsletter for 2024.

It's been a tough couple of years, and the load has not gotten any lighter. I must just acknowledge my industry colleagues for their tireless efforts, our stakeholders for their collaborative work, and government for an on-going partnership. Our growers also deserve recognition for their perseverance during one of the most difficult eras in the history of South African agriculture. As we continue to navigate significant challenges together, let us focus on the shared vision that will help us achieve collective success.

This is a critical time of year for harvesting, packing, transporting, and shipping of pome and stone fruit, as well as table grapes. So, mounting challenges around the ports, exorbitant transport costs, loadshedding, and high input costs are of real concern to growers and the fruit industry at large. Internationally, rising costs relating to duplication in audits on the part of retailers abroad, are of equal concern.

Still on the international front, Fruit SA is a founding member of the just-launched [Alliance for Sustainable Packaging for Foods](#) (ASPF). With its coalition of non-profit industry and non-governmental organisations, the ASPF connects a diverse group of global stakeholders to engage with regulators and governments around the world. The aim is to advocate for the adoption of a holistic and harmonised approach to

food packaging regulation for environmental sustainability, without compromising on food safety and public health.

Onto representation at global trade shows, we're pleased to have attended Fruit Logistica Berlin 2024, a key global trade show on the industry agenda. At the event, South African exporters sign contracts with their clients to the value of at least R3 billion.

Here's to joining hands, as we continue to approach each challenge with meaningful collaboration this year.

TRANSFORMATION

Showcasing noteworthy initiatives in the Western Cape



It's not likely for transformation efforts to be taken seriously if they lack measurable targets and notable proof of economic development.

In its second showcase, Fruit SA partnered with Hortgro (pome- and stone-fruit subsector) and SATI (table-grape subsector) to welcome invited government representatives and industry stakeholders to witness first-hand the progress made on Siyazama Klipland Farm and Roode Zand Farm Holdings in De Doorns, as well as Dwarsberg Farming in Ceres. Last year the showcase was held at Batlhako Temo, a citrus farm in Brits.

Outside of its own efforts, the fruit industry relies on collaboration with government and other stakeholders to sustain its transformation endeavours, and to gain new ground. Therefore, having notable government representation at these events is of critical importance.

Fruit SA and the industry associations continue to pursue targets for sustainable transformation, guided by a shared vision. The industry goal is to have a fully transformed sector by 2038 with Black Economic Empowerment (BEE) growers contributing 30% of fruit production, 30% of exports, and constituting 15% of ownership across the value chain. In 2021 the number of fruit farm hectares under black ownership increased from 24 435 to 32 521 in 2022, whilst the number of hectares under fruit production by black growers increased from 16 077 to 16 346 in 2022 (up 1.7%). As for production, a 55.2% increase was recorded in the volume of fruit produced by black growers, from 362 893 tonnes in 2021 to 563 384 in 2022. Black growers also achieved a 25% increase in exports, from 183 526 tonnes in 2021 to 229 439 in 2022.

Articles on the critical topic of transformation were published in February by [Food For Mzansi](#) and [Fresh Plaza](#).

Please click [here](#) for a visual snapshot of the recent farm visits in the Western Cape.

Market access



Avocados bring more good news

Market access continues to be a key industry focus, with the goal to retain and optimise current markets and to access new ones.

This year, the news about South African avocados gaining access into Japan was met with great excitement in the industry. This follows our avocados getting the green light from China last year.

Adhering to good agricultural practices that include orchard sanitation and an effective integrated pest management system, our growers can ensure that avocados are produced in conditions that meet Japanese import requirements. May our ports be ready, with strengthened infrastructure and efficiency, when the first shipment is sent off to Japan later this year.

Staying in Asia, India has already agreed on the export protocol for South African avocados. Therefore, their published WTO notification confirming its planned permission for the import of South African avocados, is also heartening.

We celebrate with our colleagues in the avocado sector of the industry.

Government and stakeholder relations

Transnet: maiden AfCFTA shipment



Photo : Transnet SOC Ltd

A growing partnership between the fruit industry and the South African government is essential for the economic viability of the industry, and its significant contribution to the economy of South Africa. Only through tactfully negotiated trade agreements by government, can this partnership enable the industry to continue generating >R62 billion in annual foreign revenue, and retain its current supply of nearly 325K jobs.

Meaningful partnerships with state-owned entities like Transnet are just as important.

Therefore, we were heartened to learn about the Transnet maiden shipment of South African products destined for other African countries trading under the African Continental Free Trade Area (AfCFTA). The shipment left our shores in January.

Implemented on 1 July 2020, the AfCFTA holds great promise for increased intra-African trade as a potential economic lever. In Africa, [intra-continental commerce](#)

currently accounts for only 16% of the total trade, compared to about 55% in Asia, 49% in the US, and 63% in Europe. The AfCFTA aims to change that by lowering or eliminating cross-border tariffs on 90% of goods, facilitating the movement of capital and people, and promoting investment.

The number of countries under the AfCFTA constitutes the world's largest free trade area and can bring great opportunities and transformative change to African economies and businesses. South Africa is the first among the Southern African Customs Union (SACU) member states – Botswana, Lesotho, Namibia, South Africa, and Swaziland – to practically trade within the AfCFTA Agreement.

“For South Africa, as with many other African countries, the start of preferential trade will create great opportunities for growth and development. Not only will it benefit our country's producers, but it will also see a huge increase in traffic through our ports, our airports, and our land-based border posts,” said President Cyril Ramaphosa.

However, these aspirations require focused resolution of current port challenges (especially in Cape Town) that have caused significant setbacks.

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