

KEYNOTE ADDRESS BY MINISTER JOHN STEENHUISEN

International Fresh Produce Association (IFPA) Conference 2025: The state of the South African agricultural industry

Theme: Challenges and Opportunities in the Fresh Produce Supply Chain in 2025 and Beyond

Ladies and gentlemen,
Esteemed colleagues,
Industry leaders,
Members of the IFPA,
Distinguished guests,

It is an honour to join you at this pivotal moment in the life of South Africa's agricultural sector. My gratitude to the organisers of the International Fresh Produce Association (IFPA) Conference for convening this important dialogue. We gather here not merely as stakeholders in a sector, but as stewards of a system that feeds our nation, sustains our economy, and projects our national identity to global markets.

South African agriculture, and in particular, the fresh produce value chain, stands today at a remarkable crossroads. We are confronted by profound challenges, but also extraordinary possibilities. If we are clear-eyed about the threats, strategic in our thinking, and collaborative in our actions, I believe that the decade ahead can be defined not by decline, but by dynamic and inclusive growth.

Let us begin by acknowledging the strength of what we have built.

The last three decades have transformed South Africa into one of the world's most competitive, diverse and export-oriented agricultural economies. Since 1994, our agricultural output has more than doubled. Horticulture has expanded by more than 130, 000 hectares over the past ten years. In the 2023/24 season alone, we exported over 77 million cartons of table grapes to global markets, the highest volume in our recorded history.

Today, agriculture supports nearly one million jobs directly, with another quarter of a million in agro-processing. Combined, the sector accounts for as much as 15% of our total economy when measured across the full value chain. This is not just a sector of survival; it is a sector of strategic significance.

In 2024, despite a mid-summer drought that affected grain and oilseed output, we reached a record high of US\$13,7 billion in agricultural exports. This was driven largely

by a robust fruit harvest, recovering livestock volumes, and increased demand in diversified markets.

South Africa's fruit industry now reaches across five continents. We have established firm trade relations with every G20 nation, and in recent months, we have unlocked new access for avocados to China, Japan and India; table grapes to the Philippines and Vietnam; and citrus to new Southeast Asian destinations. These successes are the result of tireless work by farmers, exporters, trade negotiators and plant health experts. We salute them.

However, ladies and gentlemen, resilience does not mean immunity. It is precisely because of our progress that we must now guard against complacency.

In the face of escalating climate volatility, tightening biosecurity risks, rising input costs, and a dramatically shifting global trade architecture, our fresh produce sector faces a unique convergence of stressors. Let me address five of them in some depth.

First, the climate crisis is no longer a future threat. It is here. It is now. And it is becoming more acute. Southern Africa is projected to warm at twice the global average. Droughts are becoming more frequent and intense. In the Western Cape, we are already seeing long-term drying trends. For a sector as water-sensitive and perishable as fresh produce, this demands a fundamental reconsideration of how we use and manage our natural resources. We must accelerate the development of climate-resilient crops, expand water efficiency technologies, and upgrade on-farm infrastructure to reduce risk.

Second, biosecurity threats are intensifying. Outbreaks of citrus black spot, fruit fly, and Fall armyworm not only threaten yields, but place our entire export regime at risk. A single interception at a European port can lead to devastating knock-on effects. The current capacity gaps in our disease surveillance, response protocols and border inspection systems are well known. We are addressing these gaps. We have established a National Biosecurity Hub in partnership with the University of Pretoria. This hub strengthens surveillance, supports real-time data exchange, and promotes rapid risk assessment across the plant and animal health spectrum. Through digital collections of pests and pathogens, field diagnostics and a centralised biosecurity information platform, it empowers decision-makers with the evidence they need to act early and act decisively, because a single weak link can undo years of trade negotiations and market confidence.

Third, the global trading environment is shifting beneath our feet. Protectionism is rising. Non-tariff barriers are multiplying. New sustainability requirements, especially under the European Union's (EU) Green Deal and Corporate Sustainability Reporting Directive, are being phased in at pace. These regulations require exporters to track, trace and verify compliance across the entire value chain, including upstream environmental and labour practices. If we fail to keep pace, we will lose access to our most lucrative markets.

We are working closely with industry to launch a digital traceability and compliance platform which will help our producers meet international standards. This will be vital, not only for EU access, but increasingly in Asia and North America. However, more is needed. We must also strengthen our diplomatic engagements, secure new trade agreements, and reduce our over-dependence on any single market. I have also engaged with Minister Tau and Minister Lamola for the establishment of an Inter-Ministerial Task Team between the Department of Agriculture, the Department of Trade, Industry and Competition and the Department of International Relations and Cooperation so that we can provide a coordinated approach towards expanding agricultural trade, removing market access barriers and boosting exports in key international markets.

Fourth, our logistical backbone is strained. While recent improvements at the Port of Cape Town are welcome, we still face port congestion, cold storage shortages, unreliable rail service and rural road bottlenecks that delay farm-to-market flows. The cost of logistics is one of the most significant drag factors on our global competitiveness. We are actively partnering with Transnet and private investors to revive key agricultural rail lines, develop inland reefer terminals and expand cold chain infrastructure. If we want to maintain our status as a premier fruit exporter, this work is not optional. It is urgent.

Fifth, we must confront the twin challenge of input cost inflation and finance accessibility. Fertiliser, fuel, packaging and capital costs continue to climb. For emerging farmers and new entrants, the barriers to growth are formidable. We have disbursed over R700 million in Blended Finance support to 99 Black-owned agribusinesses in the past year, and we are scaling this mechanism. However, it must be faster, less bureaucratic and better linked to off-take markets.

Now, amid these challenges, what are the opportunities? And how do we seize them?

The first and perhaps most important opportunity lies in unlocking our underutilised land and people. There are over 1,8 million hectares of state-acquired land lying idle—much of it in high-potential areas. Some of our most fertile soils sit in provinces burdened by poverty and unemployment. We cannot afford this dualism. We must invest in tenure security, technical extension and market access systems that bring these hectares—and their people—into full economic participation.

The second opportunity lies in agro-processing and value addition. Too much of our produce is exported raw. Too little is processed, packaged, branded and value-enhanced locally. This is a missed opportunity for jobs, localisation and rural economic development. We are working with industry to support investment in new packhouses, dehydration facilities, juice plants and branding initiatives. If we shift from a volume mindset to a value added mindset, the impact will be transformative.

Third, technology and digitisation offer a game-changing lever. Sensor-based irrigation, AI-driven market forecasting, drone-based crop monitoring and blockchain logistics are no longer futuristic concepts. They are operational tools, and they are being adopted by producers across South Africa. We must expand support for these innovations, ensure that smallholder farmers are not left behind and create enabling policy environments that allow agri-tech to flourish.

Fourth, our role as a global player must be enhanced. As the current chair of the G20, South Africa has a platform to place African agriculture at the centre of global food security conversations. We are using this role to advocate for climate adaptation financing, more equitable trade terms and investment flows into rural infrastructure. However, this advocacy must be mirrored by action at home.

Fifth and finally, we must deepen public-private collaboration. The days of the State operating in isolation are over. From rail concessions to disease surveillance, from export promotion to skills development, our success will depend on how well we co-invest, co-design, and co-deliver.

Friends,

The South African fresh produce sector is among the best in the world. Our fruit is world-class. Our farmers are resilient. Our exporters are agile. But the world is not standing still, and neither can we.

We have a generational opportunity to modernise, diversify and democratise this sector. To unlock the potential of our people and our land. To build systems that are green, just and globally competitive.

Let us seize that opportunity.

Let us lead.

Thank you.