

Keynote Address by Mr John Steenhuisen (MP)

Minister of Agriculture

Theme: *Catalysing G20-B20 Collaboration to Finance Resilient, Inclusive, and Sustainable Food Systems*

Excellencies, distinguished delegates, leaders from business and civil society, colleagues, and friends,

Good evening and thank you for the privilege to address you at this pivotal moment for global agriculture and food systems. South Africa is honoured to chair the G20 Agriculture Working Group this year, and we do so with both urgency and optimism: urgency because volatility, from climate shocks to conflict, from input price spikes to logistical bottlenecks, continues to strain food systems; and optimism because never have we had this combination of scientific insight, technological capacity, and shared platforms to act decisively together.

The heart of tonight's conversation is partnership, and in particular, how we mobilise finance. Our goal is clear: to ensure that capital flows at the scale, speed, and integrity needed to build food systems that are resilient, inclusive, and sustainable. This means translating intent into investment, where every Rand deployed attracts more Rands, de-risks more production, and delivers more nutrition per litre of water, per kilowatt of energy, and per hectare of land.

The stakes are high. Too many families are facing food insecurity, while producers, especially women, youth, and smallholders, struggle to secure the finance that would allow them to innovate, adapt, and thrive. At the same time, demand is growing, and supply chains are rapidly transforming. This is where the G20's policy levers and the B20's balance sheets must meet—to connect innovation with impact, and policy with pipelines. That is the spirit of South Africa's G20 agriculture agenda: inclusion, innovation, climate resilience, and outcomes that people can feel in their daily lives.

The B20 Sustainable Food Systems and Agriculture Task Force has built a pragmatic platform for this collaboration. Its focus on inclusive livelihoods, resilient trade, sustainable supply chains, and environmentally sound practices, mirrors the priorities we in government are advancing. However, this cannot remain abstract; it must result in practical mechanisms that deliver.

Allow me, therefore, to suggest four outcomes we should hold ourselves accountable for during this G20 cycle.

Finance for Resilient Growth

First, we must de-risk smallholder and small and medium agri-businesses at scale. Too many viable producers are locked out of affordable credit, climate volatility is rising, and markets remain difficult to access. To change this, we should scale blended finance by raising patient capital and expand guarantee windows that allow banks to lend at affordable rates, establish revolving lines of climate-smart working capital for things like drought-resilient seed, efficient irrigation, and cold-chain pre-cooling, and pair loans with parametric insurance so that one bad season does not turn into a lost decade. If we succeed, we will see millions more hectares under climate-smart practice, fewer non-performing loans, and a rising share of finance flowing to youth and women.

South Africa's own agribusiness finance data tells the story. By June 2024, total agribusiness loans across our four major banks reached **R255 billion**, an increase of nearly **R20 billion year-on-year**. Primary agriculture remains the dominant segment, with over **R165 billion** in outstanding loans. Importantly, long-term loans and asset-based finance are rising steadily, evidence of demand for durable, productivity-enhancing investments. However, access remains uneven—specialised finance, often crucial for small and medium enterprises (SMEs), contracted over the same period. The lesson is clear: without targeted de-risking and blended models, capital flows will consolidate in large enterprises while smallholders remain excluded.

Building Low-carbon Value Chains

Second, we must finance resilient, low-carbon value chains from end to end. Too much value, and too much food, is lost between farm and fork because logistics, power, water, and cold chain remain under-invested. Blended infrastructure platforms that package solar-powered packhouses, climate-proof rural roads, and efficient irrigation projects can make these investments bankable for institutional capital. At the same time, result-based decarbonisation mechanisms can reward emission reductions in transport and storage, while resilience bonds can provide rapid financing to repair vital infrastructure after extreme events. The result will be lower post-harvest loss, lower emissions per ton shipped, and more reliable markets for small producers.

Unlocking Trade Finance and Market Access

Third, we must unlock trade finance and market access for inclusive growth. Many SMEs are capable of meeting quality standards, however, the compliance costs and working capital demands involved in exporting block their entry. Dedicated SME exporter windows within our export credit agencies could provide purchase-order finance, currency hedging, and guarantees, while digital trade corridors could accelerate border clearance with electronic certification and traceability tools. Regional mutual recognition of standards, where science permits, would further enlarge accessible markets. If we get this right, we will see faster border clearance, more first-time exporters, and stronger rural employment tied to global markets.

Science, Skills, and Data as Financial Infrastructure

Finally, we must invest in science, skills, and data as a form of financial infrastructure. Finance does not flow where information is thin. That is why public-private knowledge funds should support adaptive research in drought-tolerant cultivars, vaccines, and soil-water analytics. Skills compacts should bring B20 firms into partnership with agricultural colleges and vocational institutes, ensuring curricula meet the needs of a modern food economy. In addition, accessible, privacy-safe farm and geospatial data must be made available so that risk can be priced fairly, and climate-smart practices properly rewarded. The effect will be faster loan appraisal times, lower risk premiums, and wider adoption of innovation where it matters most, on farms and in SMEs.

Joint Initiatives

To give momentum to these four outcomes, South Africa proposes the launch of five joint initiatives during our Presidency: a **G20-B20 Food Systems Blended Finance Compact**, a **Climate-Smart Inputs and Insurance Facility**, a **Digital Trade and Compliance Accelerator**, a **Rural Energy for Cold Chain Partnership**, and a **Skills and Inclusion Deal** for youth and women. These initiatives can build on the kinds of trends we already see in agribusiness finance, long-term and asset-based investments growing, but gaps in inclusive and specialised finance still widening.

Accountability and Shared Responsibility

Of course, financing without accountability is only hope, however, financing with accountability becomes strategy. We therefore, propose a shared scorecard to track money mobilised, producers reached, hectares converted to climate-smart practice, and jobs created, with gender and youth disaggregation. Transparent pipelines should be published quarterly to allow investors to co-finance and governments to identify bottlenecks. Additionally, every initiative must be underpinned by science-based

safeguards that protect ecosystems, water, soils, and biodiversity, while maintaining high food safety standards.

This is a compact that requires commitments on both sides. From governments, we must provide predictable and science-based regulation, standardised permits and certificates, reliable data, and concessional capital that de-risks rather than displaces private finance. From business, we ask for patient capital, for supplier diversity that includes youth and women, and for responsible data-sharing that allows fairer risk pricing.

Africa's Role

As the first African nation to hold the G20 Presidency, South Africa is determined that the outcomes of this cycle will reflect not only the needs of advanced economies, but the perspectives and opportunities of the African continent as well. Africa's youthful workforce, expanding markets, and vast agro-ecological diversity make it central to global food security and climate resilience. Our collaboration through the G20 and B20 is an opportunity to turn this potential into practice, transforming policy into pipelines and ideas into implementation.

Ultimately, the success of this forum will not be measured by how many communiqués we issue, but by whether farms withstand the next climate shock, SMEs make their first export, packhouses run on clean energy, and children attend school nourished by a food system that works. South Africa commits to stewarding this agenda with humility and resolve. We will listen, convene, and act, so that the partnerships we form are durable, the capital we mobilise is catalytic, and the progress we make is undeniable. Thank you. Kea leboha. Ngiyabonga. Baie dankie.