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INSIGHT

SA Blueberry Economic Outlook 2025 Update

Bureau for Food & Agricultural Policy (BFAP)

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2025/05/30



THE ECONOMIC CONTEXT

SA Risks on the horizon | Increasing global tensions | weaker economic Outlook

Global growth prospects face many risks on downside

Divergence in growth prospects in short term
 Different demand preferences in various parts of the world



Multiple changes in government in 2024

Policy uncertainty in many places
 Signal of voter base looking for change?
 Societal polarization



Growing complexity & uncertainty in trade environment

Ongoing conflict – Ukraine, Middle East, Mozambique
 Growing compliance needs for exports
 Increasingly complex trade environment risk to growth
 Policy uncertainty increasing – AGOA, “Trump Tariffs”



Sustainability high on policy agenda

Additional costs to compliance
 Market access implications?
 Productivity in EU?



SA's new GNU

Signs of progress on some reforms but way to go in others
 Improved sentiments but time required for spending power to improve



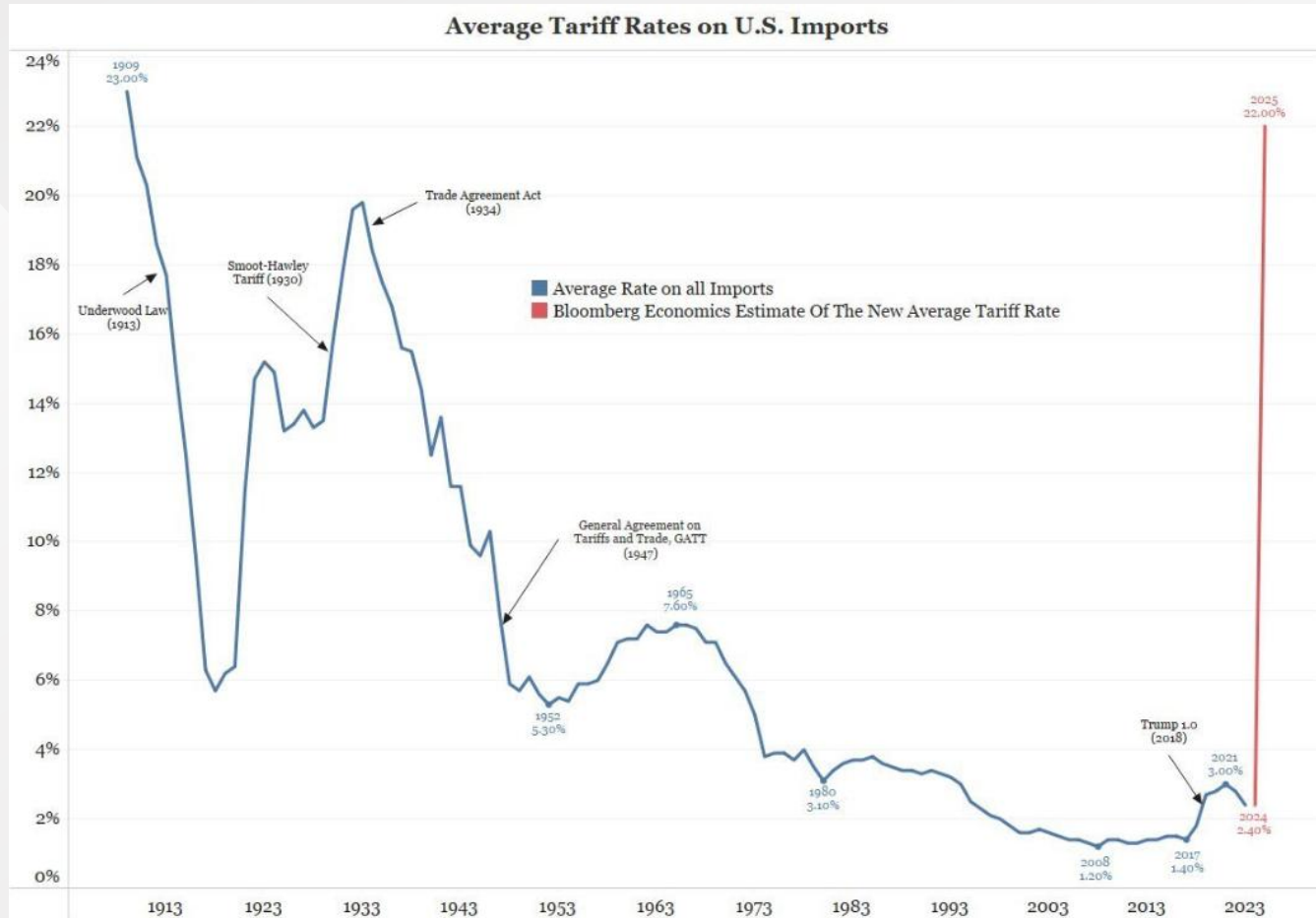
Misinformation & disinformation

Wealth of widely available information with limited fact checks
 Increasing use of AI
 Cybercrimes



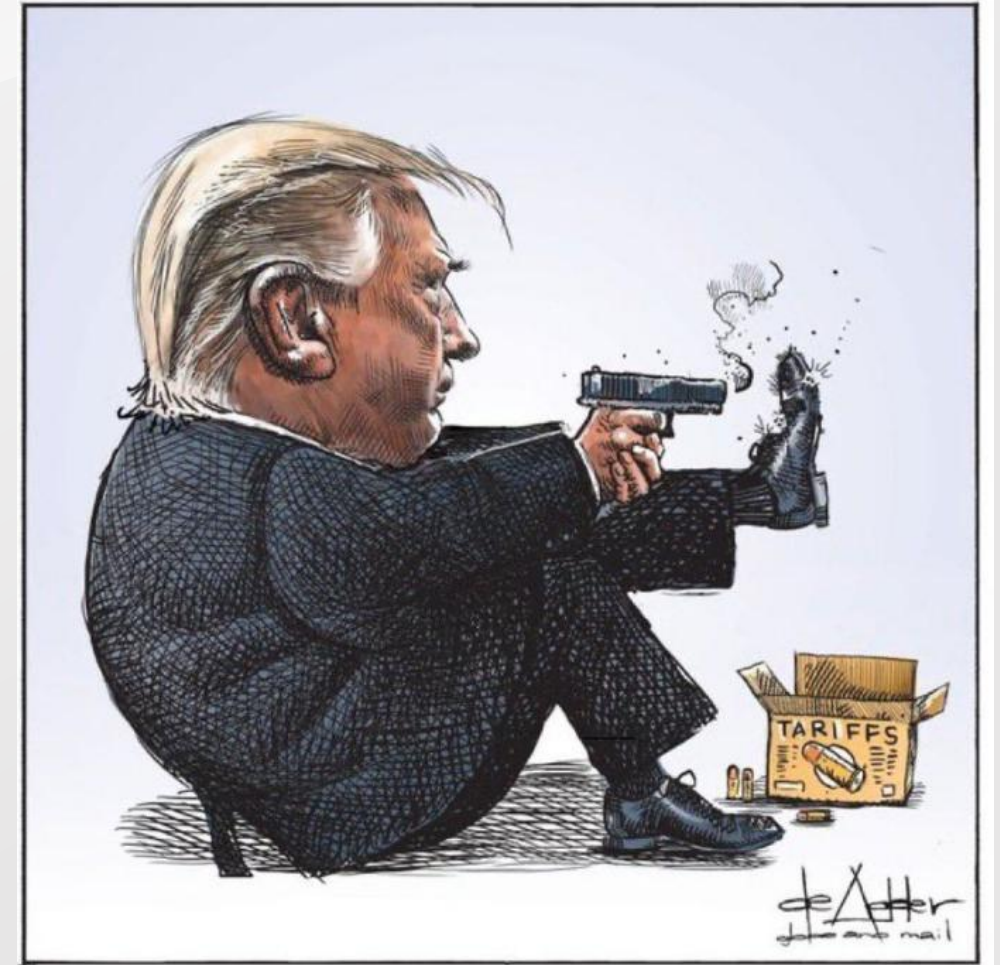
First time in around 60 years that we are talking about tariff as a policy tool

The scale and scope of these “tariffs” is worrying and the on-then-off again implementation creates uncertainty in global markets – blueberries will also be affected



Source: US Census Bureau, *Historical Statistics of the United States: Colonial Times to 1970*, Part II; US International Trade Commission, "U.S. imports for consumption, duties collected, and ratio of duties to values, 1891-2023, (Table 1)"; Tax Foundation calculations. Bloomberg Economics Estimates <https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/>

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Implications of “Trump Tariffs” on agriculture

The scale and scope of these “tariffs” is worrying and the on-then-off again implementation creates uncertainty in global markets – blueberries will also be affected

Indirect impacts – shifting trade

Products shifting from US into other markets –
 increasing volumes & influencing prices
 Shifting trade patterns from key competitors

Direct impact on products traded with US

4% of agric & food export to US in '24
Major products: Citrus, Juices, Mac Nuts,
 Grapes, Wine, Ice Cream
 Higher prices for US consumers -> reduced
 demand & increased competition from countries
 with smaller tariff

Indirect impacts due to impact on SA economic prospects

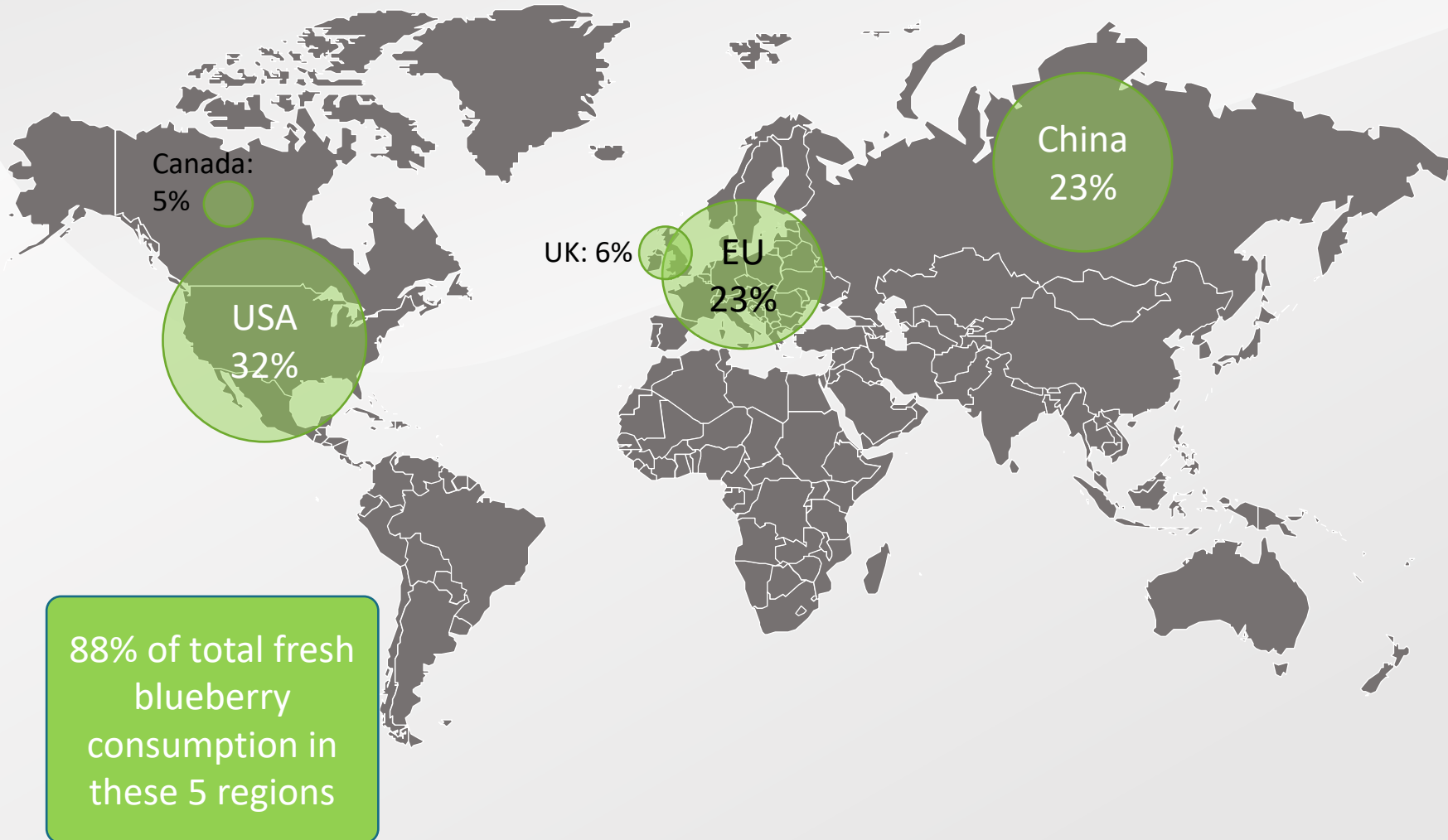
Weaker growth prospects or job losses could influence spending power & demand for products

Potential opportunities?

- Could it lead to negotiation of bilateral trade agreement?
- Potential to strengthen other trade relationships or accelerate market access negotiations
- Shifting global trade patterns may create opportunities in new markets?
- Weaker exchange rate
- Industries that had made concessions previously?

What about blueberry markets

The US is by far the largest & developed consumer market and highly dependent on imports from Peru (34%), Mexico (15%), Chile (10%)



But China consumes most of its own production

This implies that of globally traded blueberries outside of China, the US consumes 40% of total fresh production globally

As things stand with tariffs:

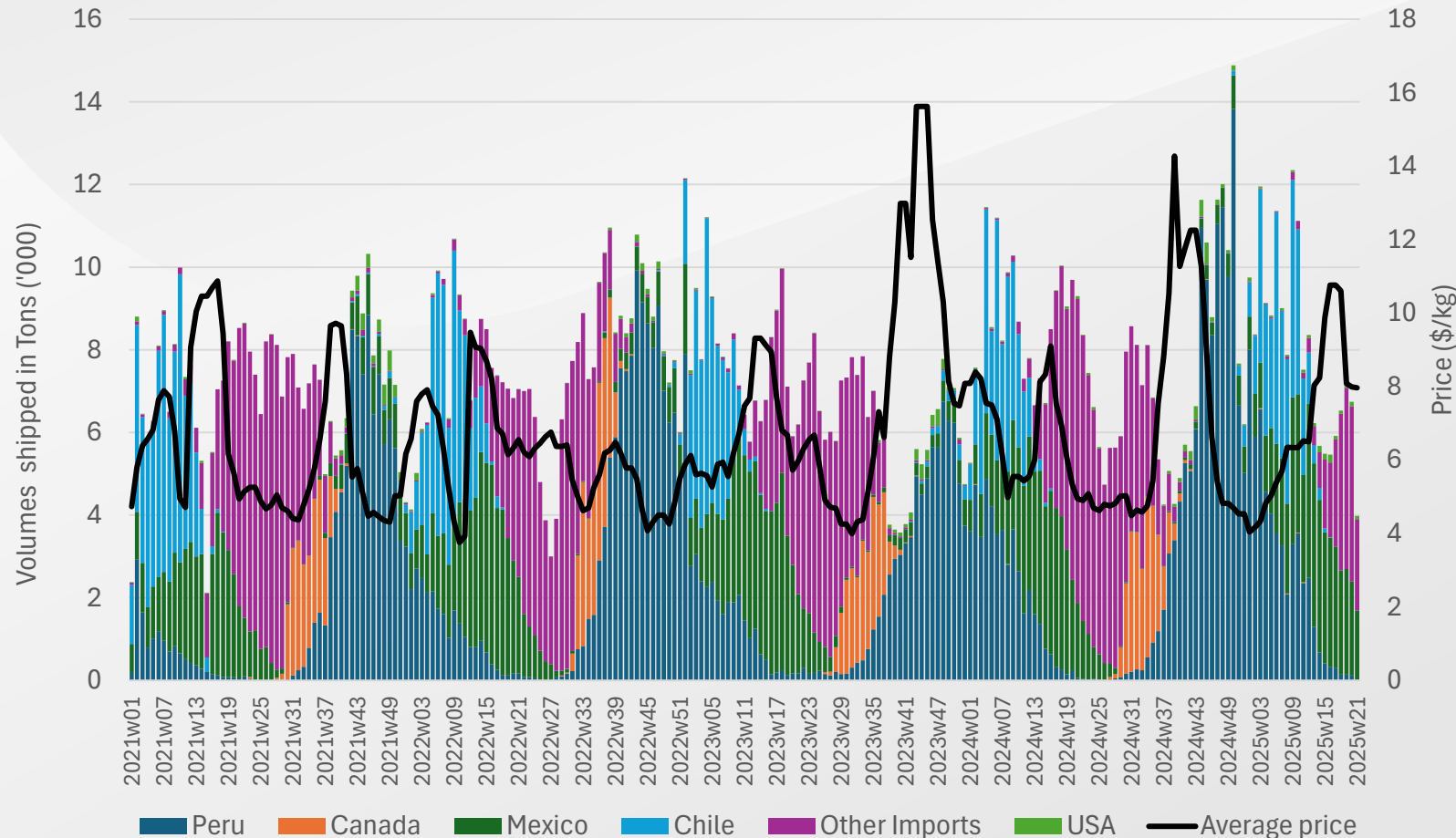
- Peru 10% no talk of a deal
- Chile 10% some talks
- Mexico spared under USMCA
- Canada spared under USMCA

Possibly the biggest concern is the decoupling from China

What about blueberry markets

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US market & price transmission



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Washington-Pretoria foreign policy & trade tensions

Chapter on South Africa lists specific trade barriers

Tariff measures:

- Name the EPA-SADC agreement with the EU a trade disparity
- Poultry is high on the US agenda
 - ITAC review of poultry tariff structure with folding of tariff lines not liked by the US
 - Antidumping tariff-rate quota (TRQ) to allow 65 000 tons of bone-in portion has not been fully utilised over the past few years
- SA put a 10% ad valorem tariff on dump truck imports from the US

Non-Tariff measures:

- Restricting imports by DTIC and need for permits by ITAC
- Technical barriers imposed by the SABS and the use of certified labs
- Slow pace and technical issues in the meat certification process by veterinarians
- Issued flagged about technical barriers to pork, poultry and meat in general in terms of imports into the SA market
- US blueberry imports to SA require additional steps to advance

Other: Government procurement, IP, expropriation Act, State-owned entities



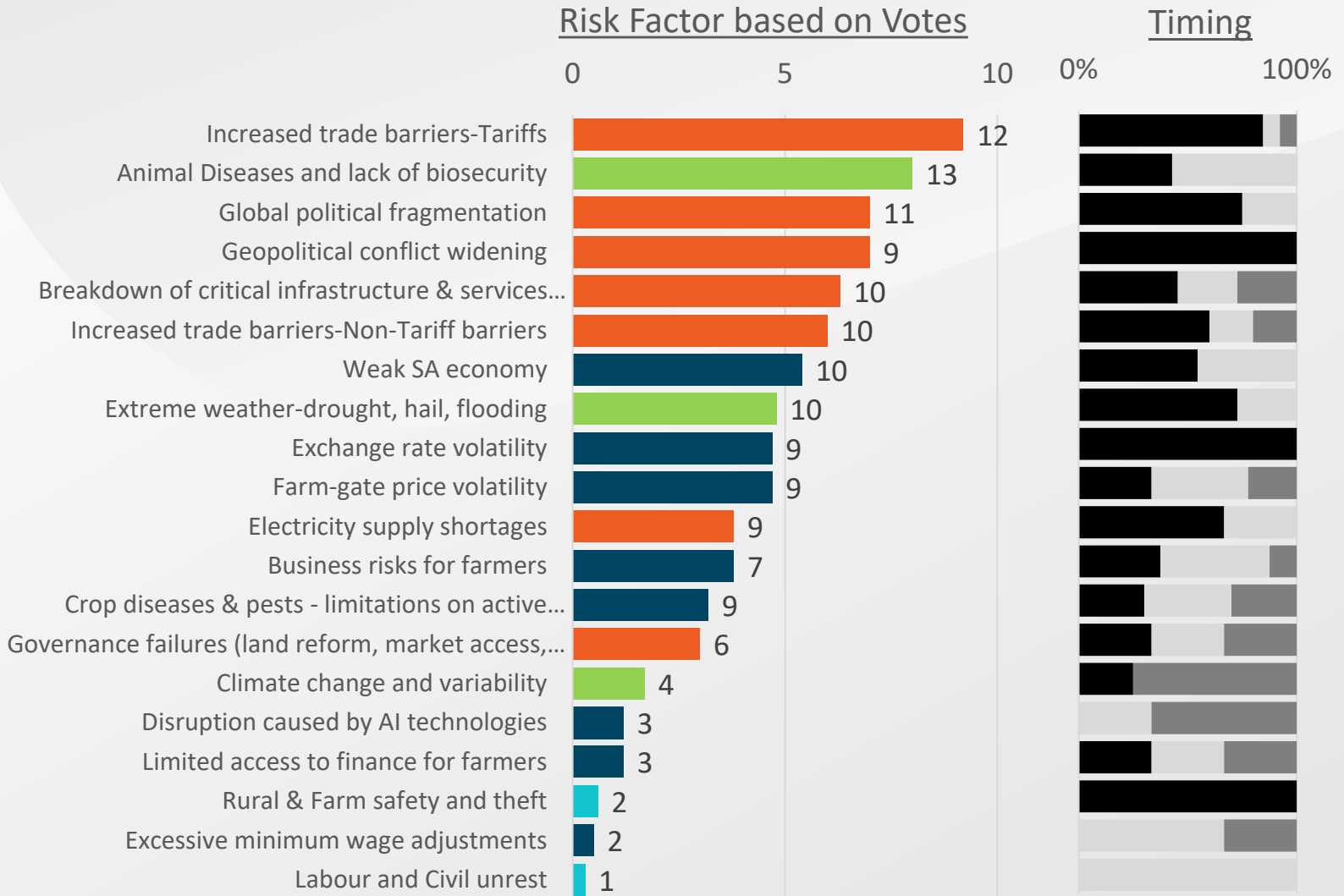
2025 National Trade Estimate Report on
**FOREIGN TRADE
BARRIERS**

*of the President of the United States
on the Trade Agreements Program*

UNITED STATES TRADE REPRESENTATIVE

Top ten most important Risks identified in Q1 of 2025

The risk factors have been identified and ranked based on importance. The timing graph indicates the expected timeframe for the risks to play out / materialise.



Political risks dominate the top ten most important, with the threat of tariff barriers the most important and immediate risk.

The heightened risk of animal disease spreading relates to Avian Influenza in poultry that is spreading to many countries and the slow progress on the vaccine policy.

In the current high political and economic uncertainty, risks related to extreme weather have dropped in importance, whilst a weak SA economy remains a concern given the situation with the budget and GNU sustainability

Macroeconomic assumptions for the Outlook

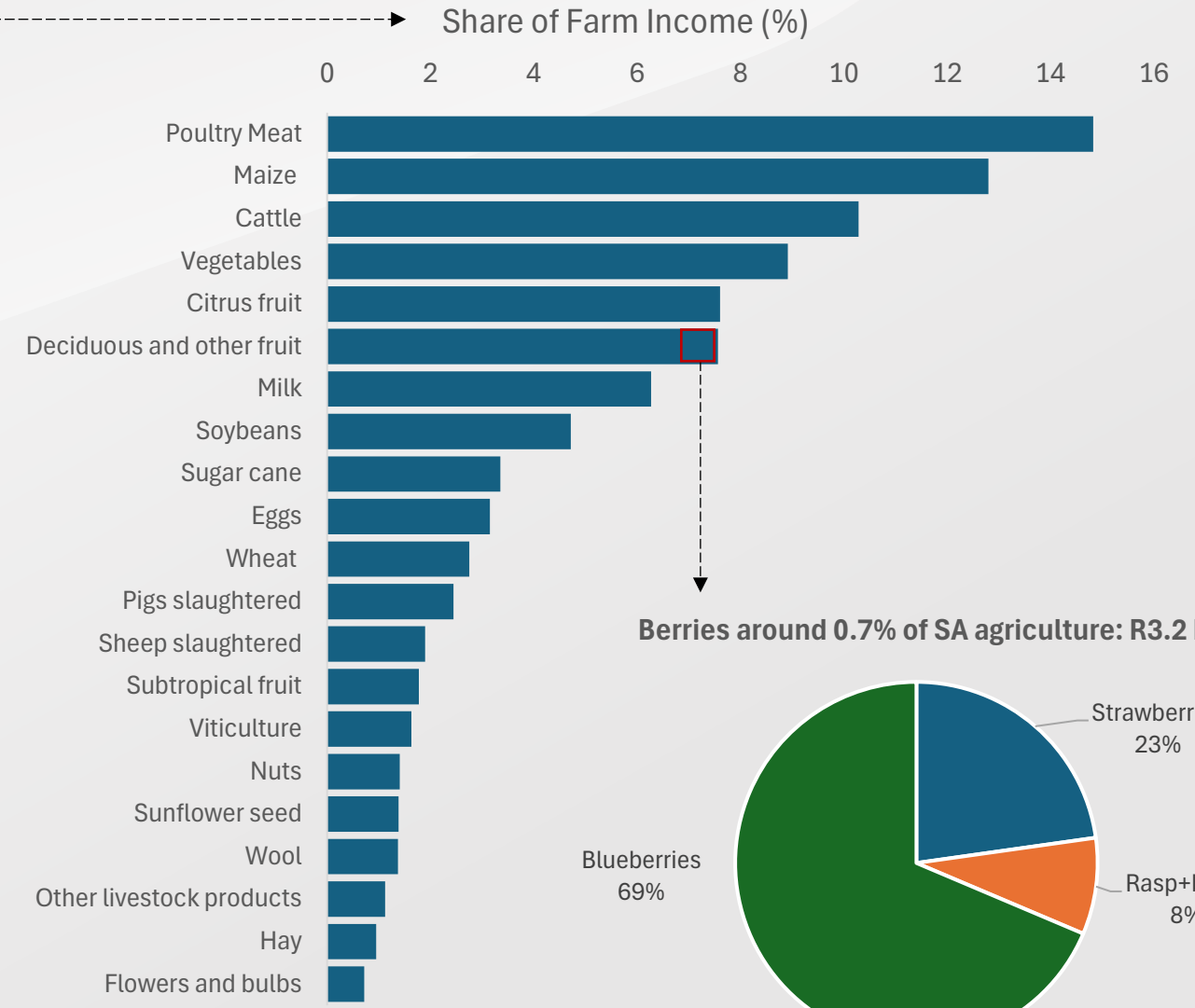
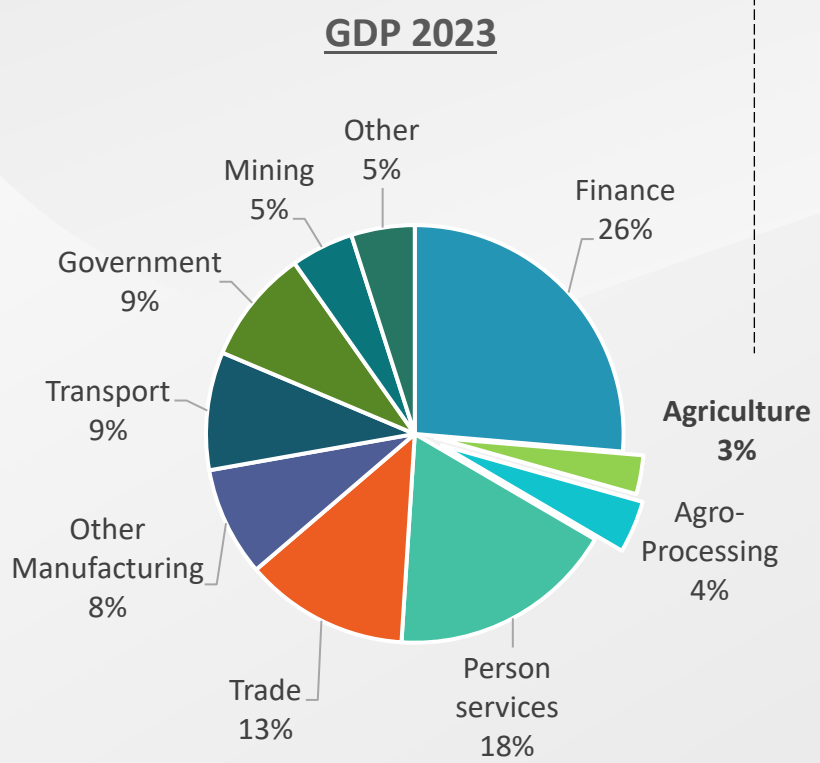
Baseline Assumptions	2019	2020	2021	2022	2023	2024	2025	
Real GDP Growth (%)	0.20	-6.30	5.50	1.90	0.70	1.0	2.20	→ Consumers under pressure
CPI (%)	4.9	3.3	6.4	6.9	6.0	4.8	4.6	→ Monetary policy?
Prime Interest Rate (%)	10.14	7.86	7.03	8.60	11.40	11.6	10.90	→ Debt implications?
Exchange Rate (ZAR / USD)	14.55	16.46	14.35	16.43	18.45	18.33	17.82	→ Input & output prices?
Brent Crude Oil (USD / Barrel)	64.7	42.8	70.8	99.1	82.2	83.6	79.6	→ Input prices?

- Most countries now in a monetary policy cutting cycle (USA another cut in 25 points, SA followed with the same)
- SA 2024 expectations still weak – much better electricity supply but very weak Q1
- 2025 Baseline improved, med term baseline still around 2% - need to see stable GNU and consistent implementation progress
- Probability of upside scenario seems to be rising
- Risks remain globally, several elections coming, notable developments in EU & second Trump term

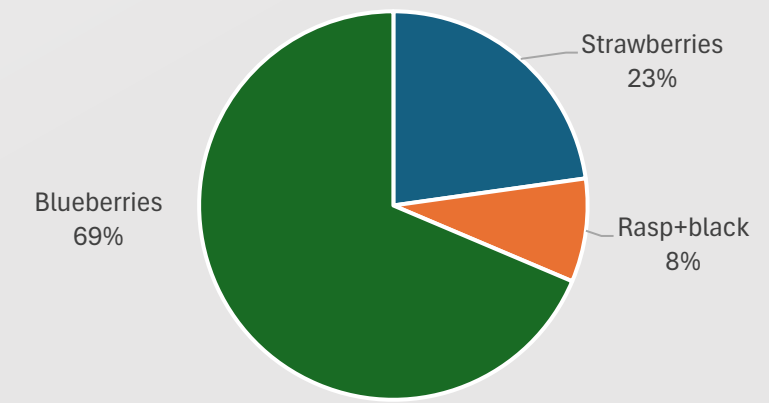


SA Agriculture in 2023

Berries Contribution to the economy

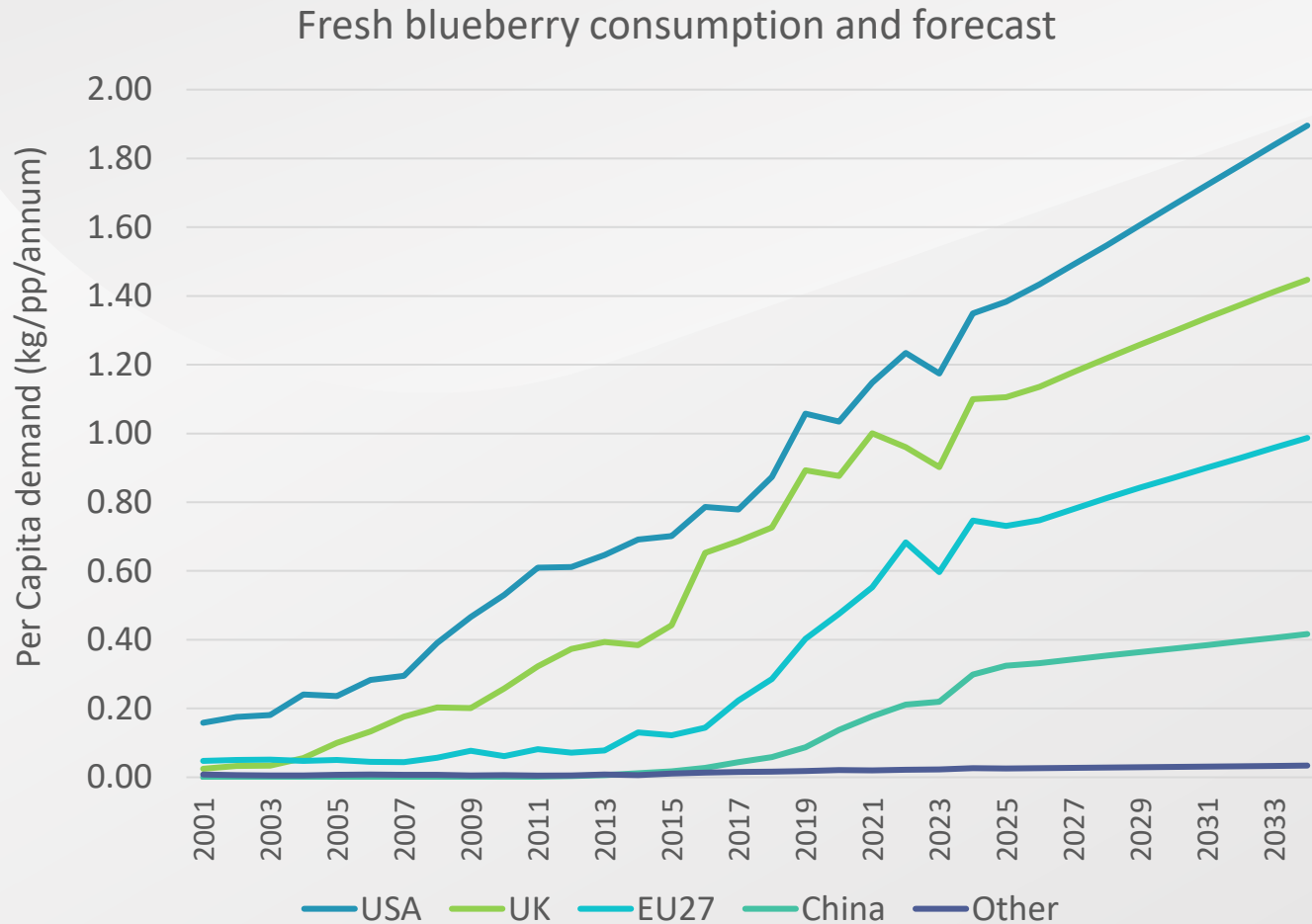


Berries around 0.7% of SA agriculture: R3.2 billion



Blueberry Demand

Yes, demand continues to grow significantly



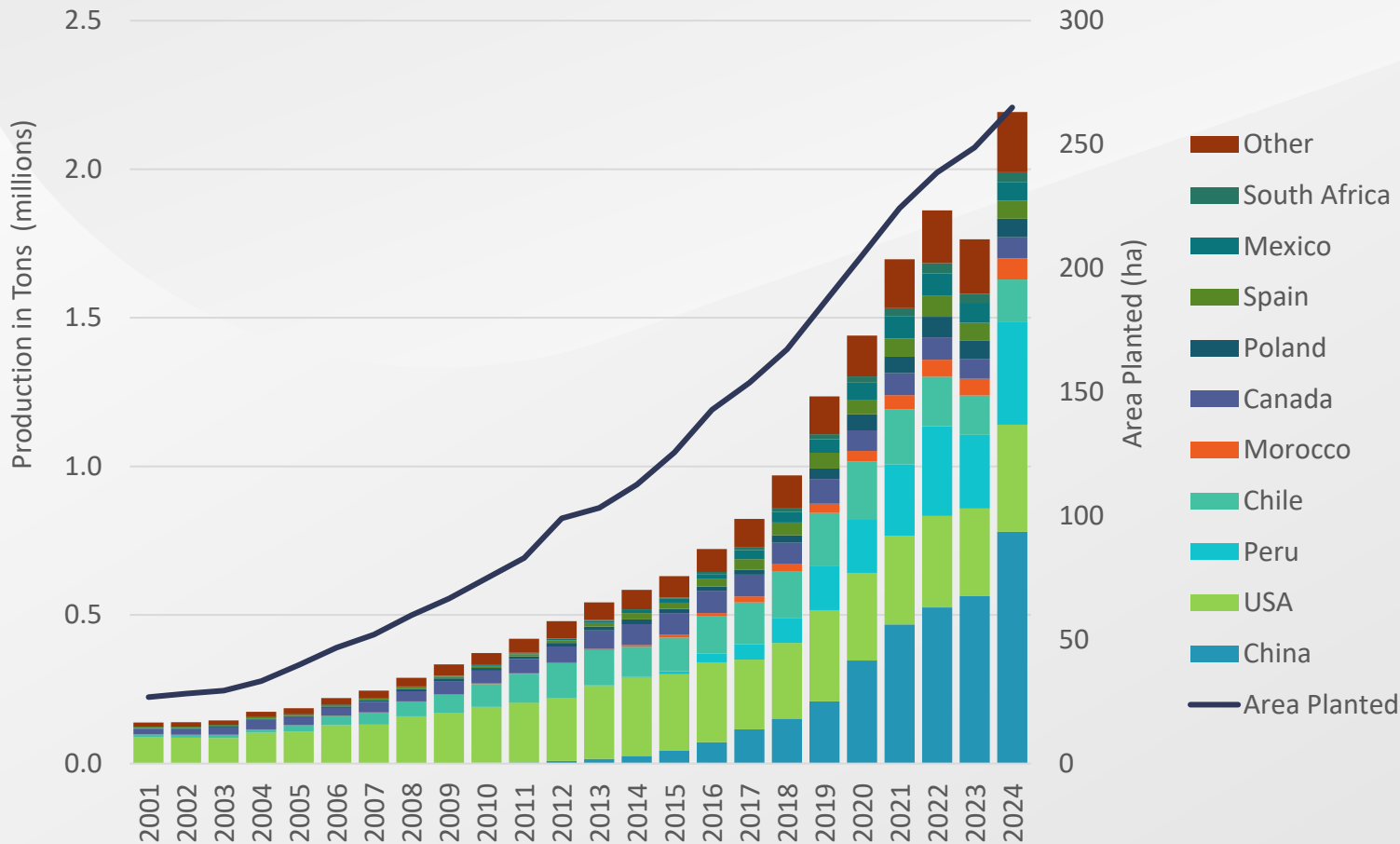
The 2023 short season showed how responsive prices were when for the first time in 20 years supply was shocked

All markets are seeing significant growth, but will also be dependent on the price projection

The impact of tariff and global trade wars might affect regional difference with availability and price levels

Blueberry Global Supply 2024

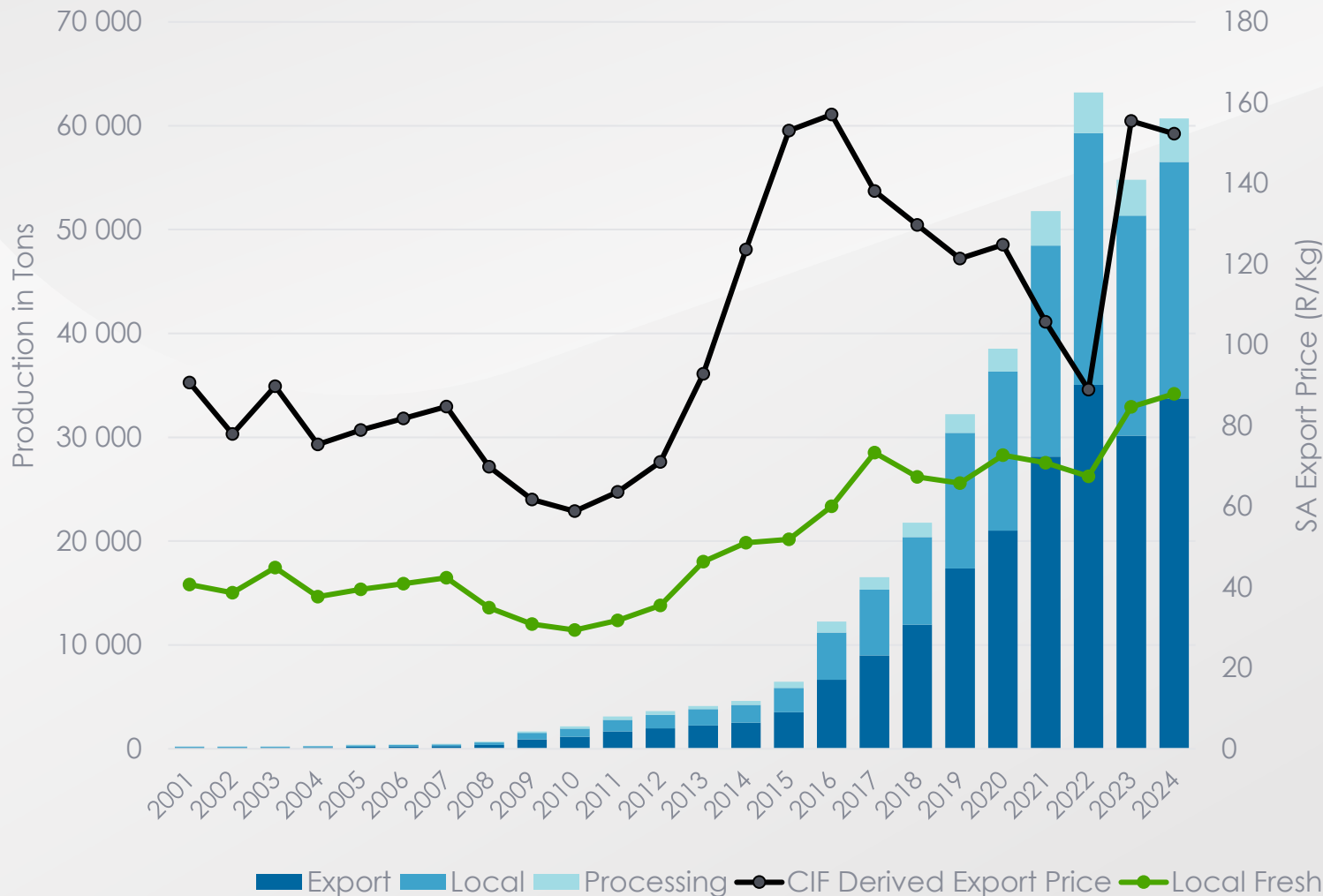
Supply concentration and growth determines the Outlook



Global production updates:

- Peru was back with vengeance in 2024 but season was late
- Global production increased 24% after the decline of 5% in 2023
- China's production numbers remains a challenge jumping to 780k up 38% in 2024
- USA and Morocco saw strong growth
- Area planted continues to grow but at a smaller pace. Critical to this trend is Peru and China area planted over the Baseline

Review of 2024/2025 season

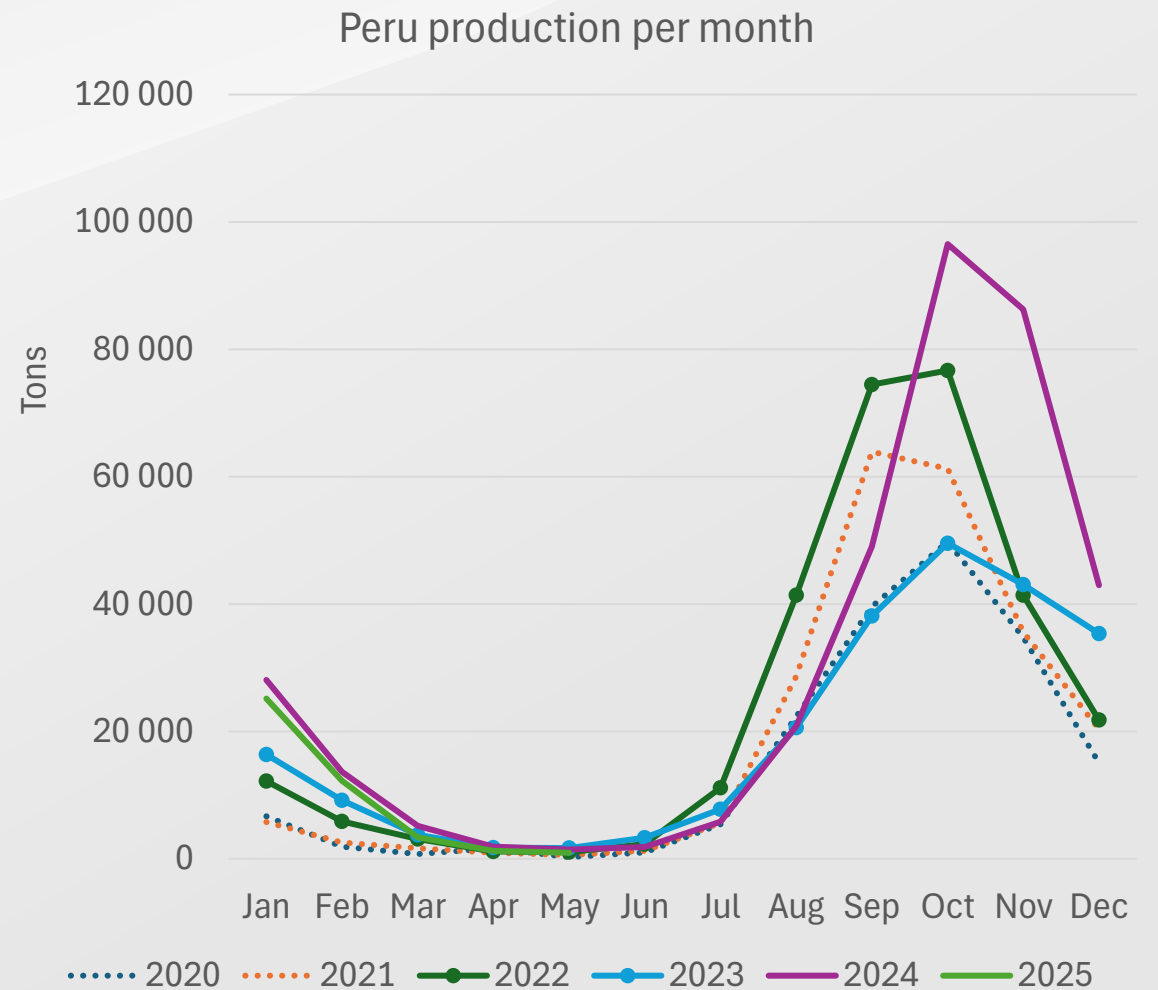
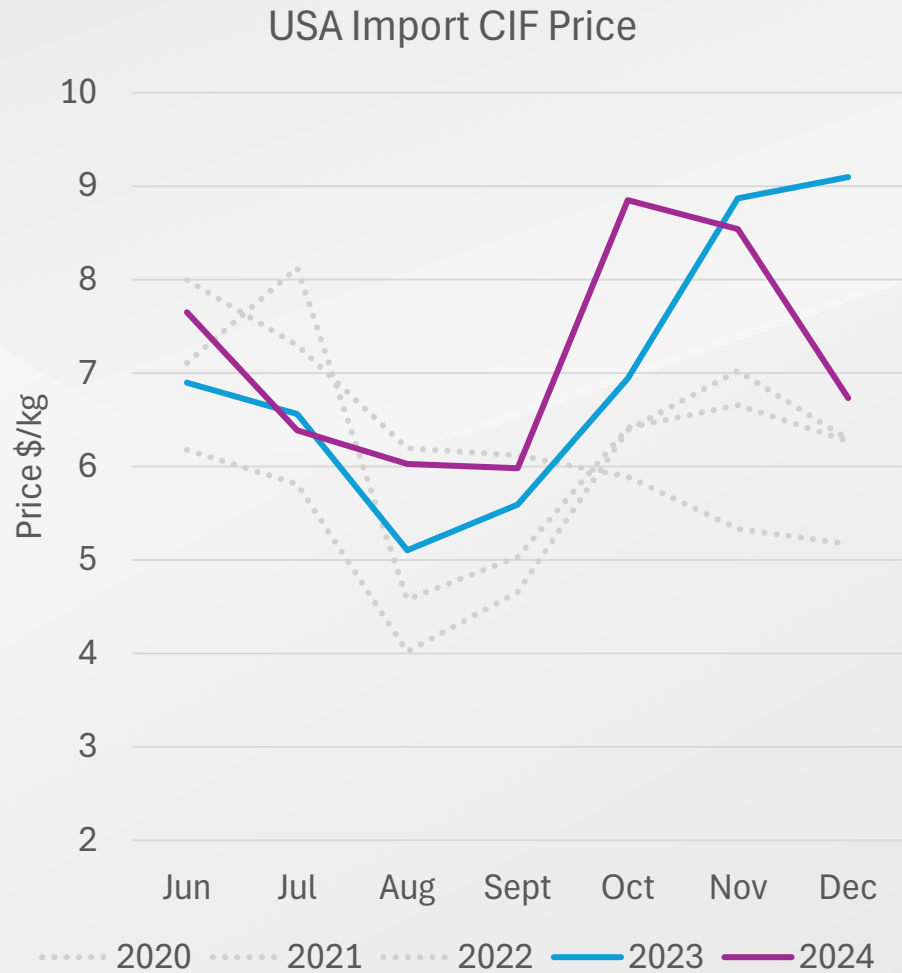


Season review:

- SA had a better season helped by improved yields, although area has declined slightly
- Export prices were better than projected last years due to strong demand for SA product and the combination of Peru's late season and strong growth
- Fresh export = 21 190 Ton (67%)
- Fresh local = 4 200 ton (12%)
- Processing = 6 800 (24%)

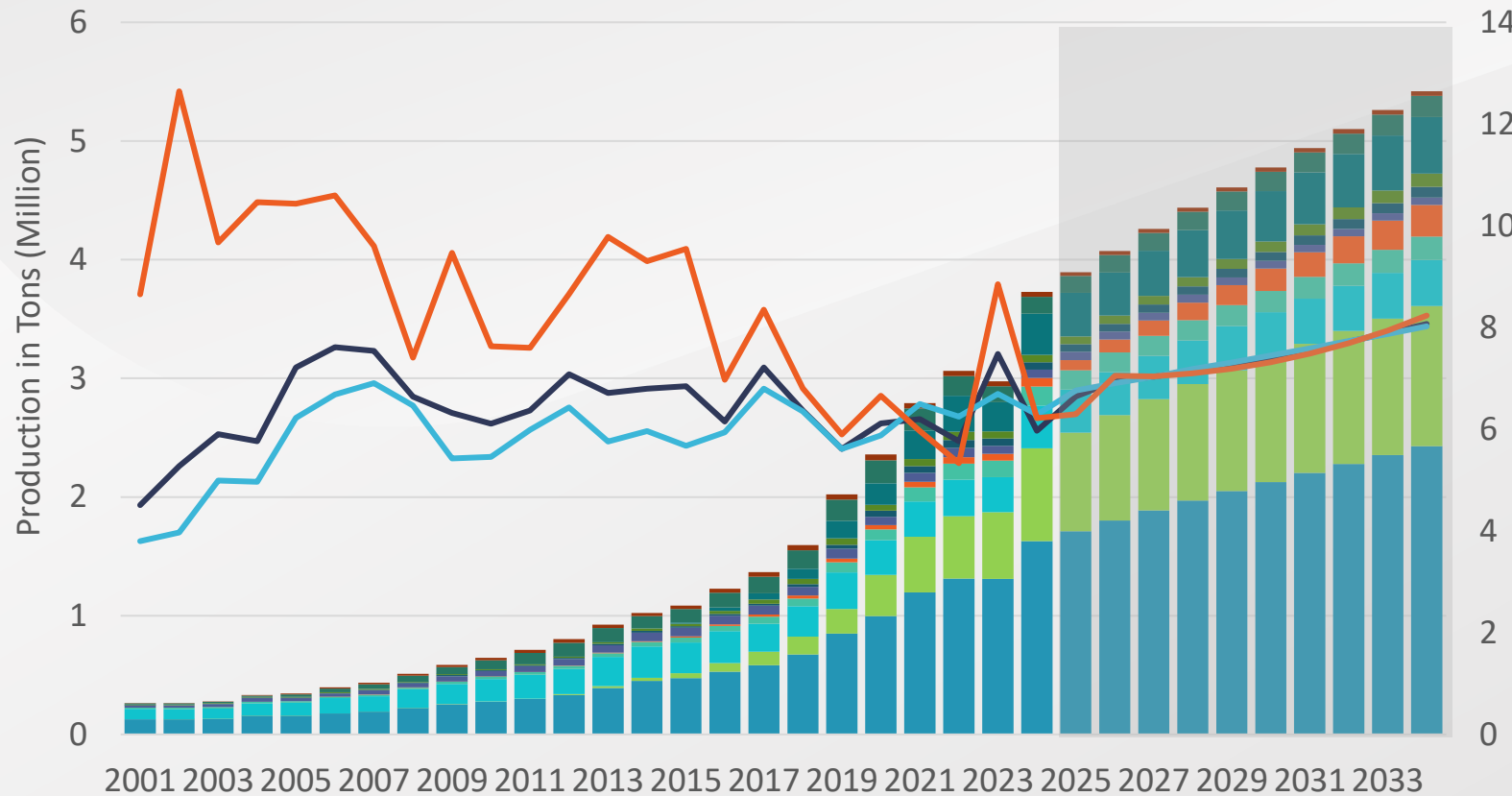
Price:	2023/24	2024/25	
Export	R155	R152	(-2%)
Local Fresh	R85	R88	(+4%)
Processing	R12	R19	(55%)

Peru and US price transmission



Looking Ahead 10-Years

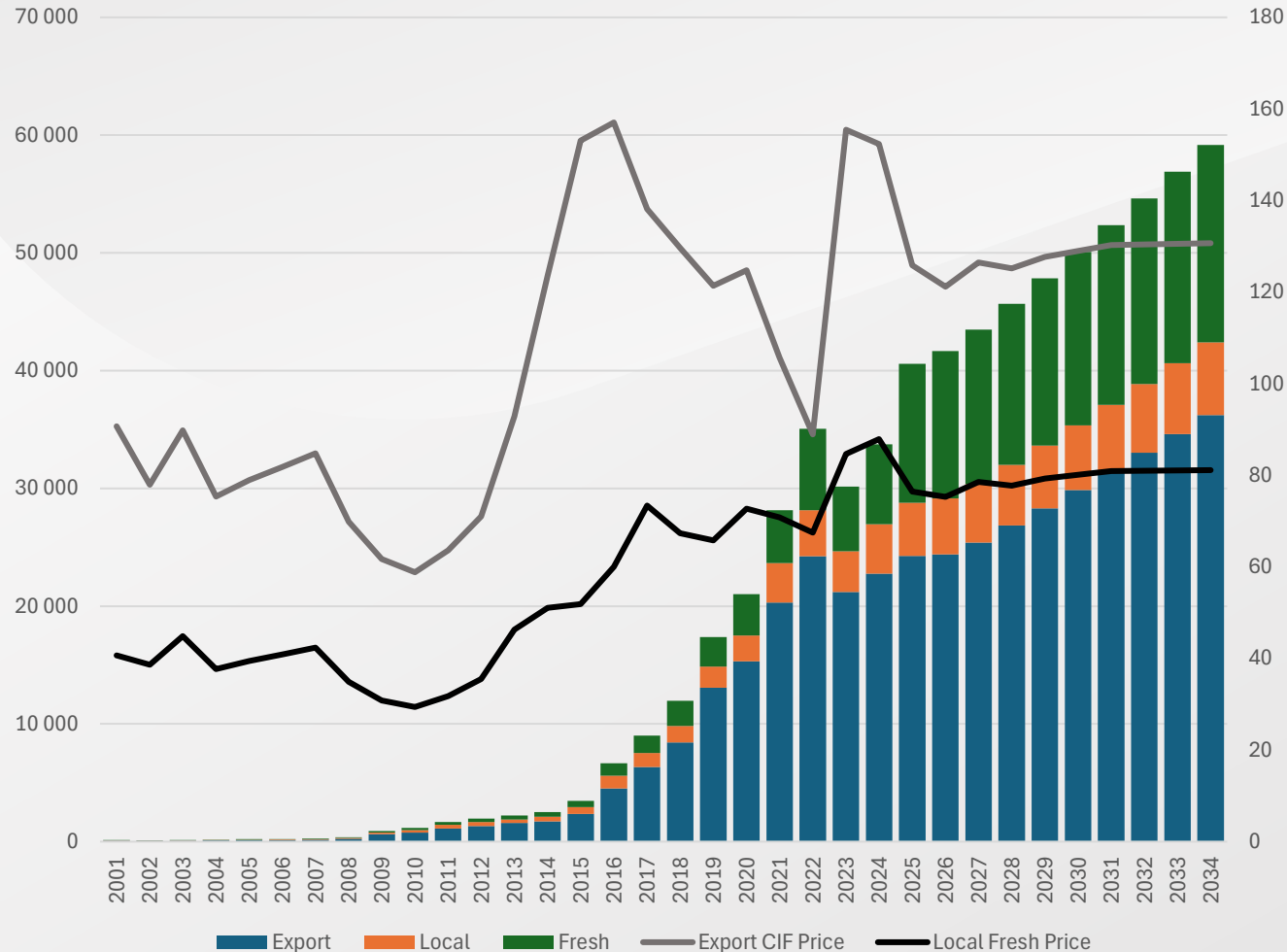
Global blueberry Outlook 2025-2034



- Production numbers remain volatile
- China is growing faster than expected (if one can believe the numbers)
- Supply and demand remain fairly evenly match and is characterised by both growing extremely fast
- Peru and China main reason for volumes growth which is a function of both area plantings and yield forecasts
- Projecting prices remain extremely difficult

Looking Ahead 10-Years

SA blueberry Outlook 2025-2034

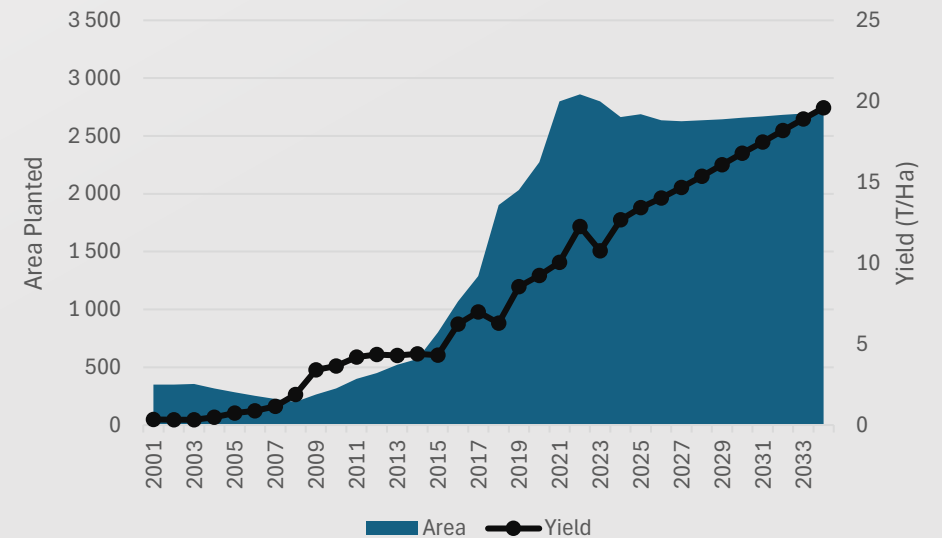


Price Outlook for 2025/26

- 2024: R152 [Actual]
- 2025: R126 [Projected]
- 2026: R121 [Projected]

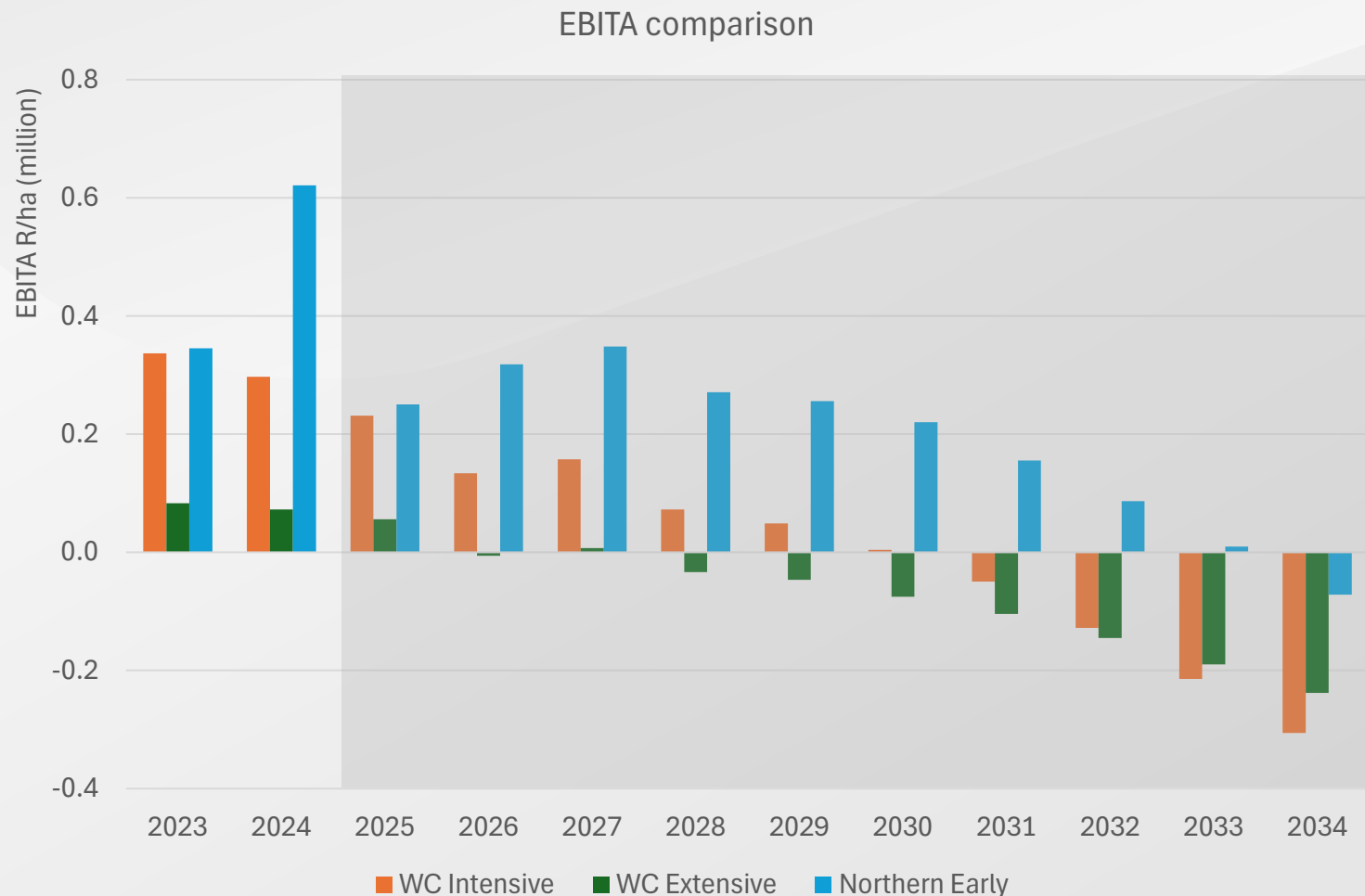
Rand depreciation support prices in the Outlook

Planting did come down in 2024 and we project flat area with some yield improvement over the Outlook



Farm profitability

Update on typical farm financial models 2024 & Outlook



What does the Outlook imply for farm profits?

We expect continued good returns in the short-run and 2025 would see mostly return larger than R200k per ha

I wouldn't read too much into the outer years, only to see that as global markets converge where demand = supply, price will soon trend slightly downward

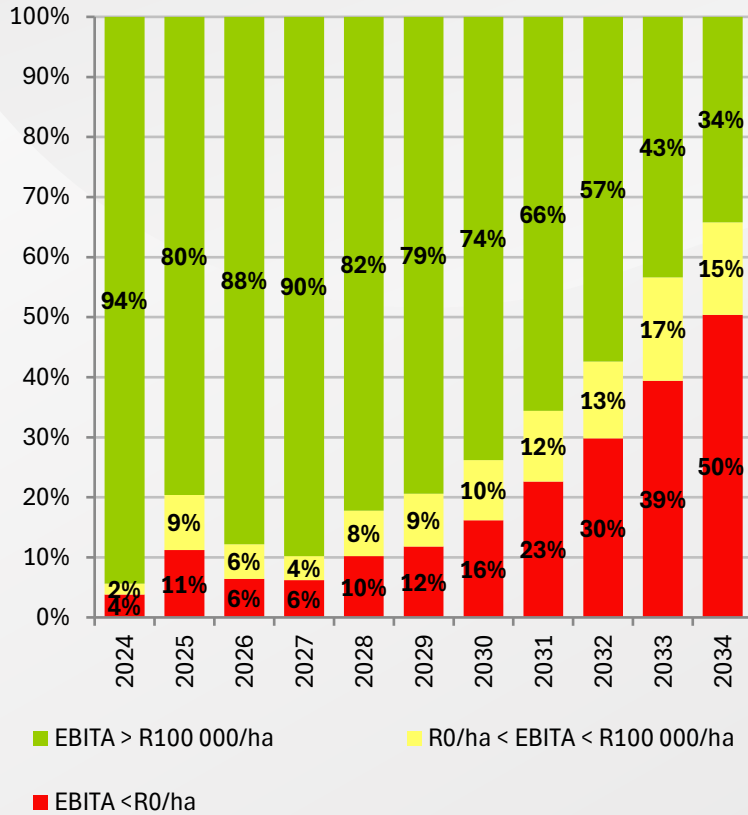
There might be unexpected good or difficult years depending on weather and policy decisions

Farm profitability

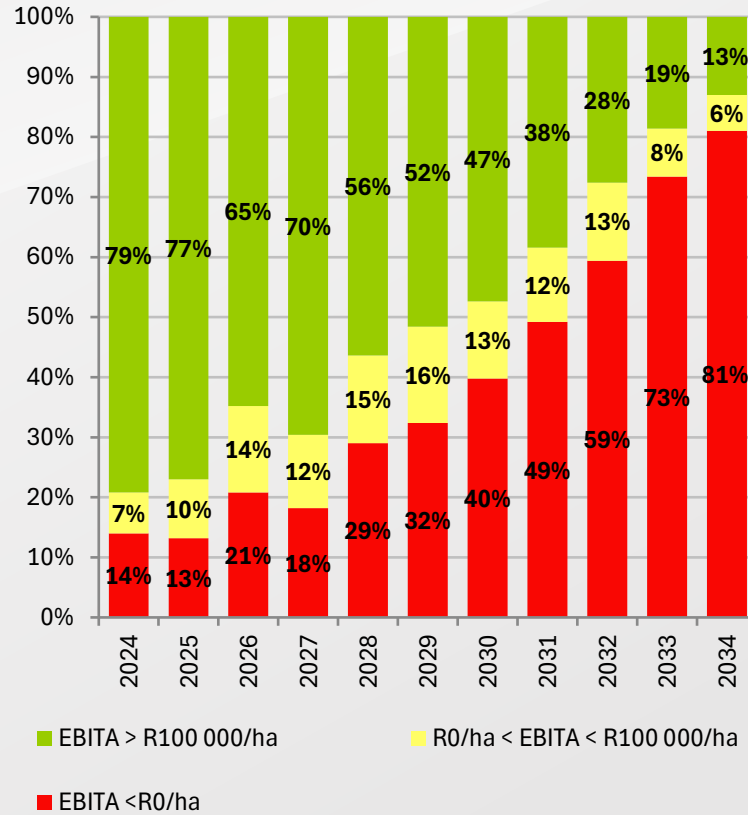
Introducing Risk profiles: Probability of returns



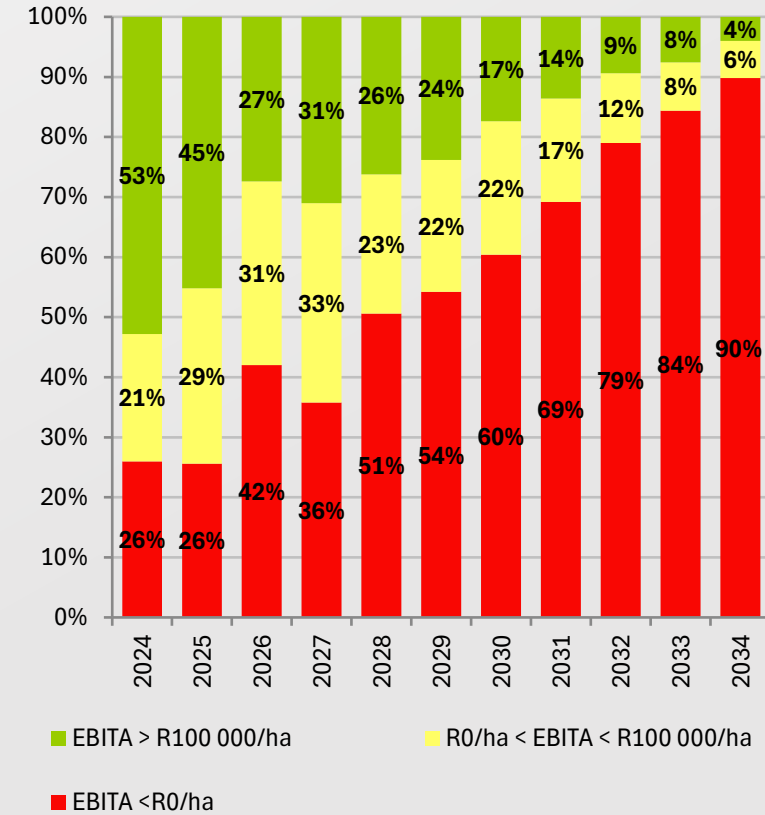
Northern Early farm








WC Intensive farm



WC Extensive farm



Economic impact of market access to China for the SA blueberry industry

- Market scan of China blueberry market in terms of consumption and demand for blueberries  *Combination of publicly available data, desktop research and private sector insights*
- Update all BFAP economic models with the most recent data, price signals and project the status quo without the opening of China's market to SA.  *Farm and marketers survey. Volume, prices, experience exporting to China/Eastern markets*
- Run scenarios on the likely impact of gaining market access from 2026 onwards on the South African economy  *Based on the above and studying Peru's market access to China, we'll conduct scenario analysis*
- Develop and conduct an anonymous socio-economic survey of the wider blueberry industry that has sufficient coverage to be representative of the entire industry. This will include the number of jobs, wages, in-kind benefits etc.  *Farm survey will include details on socio-economic impacts and farm-level profitability.*
- Disseminate research findings with a policy brief, popular media piece and present findings on relevant forums.  *Publish finding in popular media outlets and discuss impact on SA*

Concluding remarks



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- It's my 5th presentation at BerriesZA Annual Meeting and I can sense the industry is really at a good place to push forward
- Global uncertainties remains specifically regarding the tariff policy and market access
- Growers must continue to prioritise high quality production but within a range of input cost decisions and savings
- We look forward to present the China market access study results
- Huge thanks to Brent, BerriesZA board and those who continue to support this initiative with insights, data and resources to do this research



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Thank You

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