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Dear friends,

The world is in a tumultuous state, and the current turmoil comes on the back of several years of intense disturbance to the fundamentals of social and economic life, driven in large part by geopolitical conflicts and the sudden emergence of generative AI tools.

In South Africa, we have recently enjoyed strong production of staple fresh produce lines, which is good news in general terms. However, mother nature is ever-fickle, and is sending us more rain, which is likely to push production and quality levels lower, while logistical routes to market continue to be disrupted, with fuel price spikes resulting from the Iran conflict playing an important contributing role. Fresh produce prices are thus likely to tick up fairly sharply over the medium term, locally and internationally.

There seems little doubt that role players across the fresh produce value chain will have to find solutions to logistical bottlenecks if they want to move produce to sales points optimally and sell more effectively. Within this context, I also believe it's important at this particular moment to think seriously about how consumers, locally and globally, are responding to times of major stress and uncertainty. I have come across two interesting reports recently which offer intriguing insights into both paradigms.

The 2026 Fruit Logistica Trend Report takes an in-depth look at the current and future impact of AI on the fresh produce industry, and I highly recommend giving it a full read. Amongst a plethora of intriguing ideas and observations from industry leaders, there is high level agreement that the impact of AI on all aspects of farming, logistics, distribution and retail is already significant, and growing at a compounding rate.

From a South African perspective, such insights can carry an undertone of concern. Agriculture is a key employer and driver of economic growth in our country, and many are worried that AI may reduce employment opportunities thanks to advanced levels of automation. While the Fruit Logistica report highlights often amazing progressions in the use of AI across the value chain, many of the cited industry leaders see AI as an enabler of human functions, rather than a replacement. I agree, and I think it is reasonable to expect that the introduction of AI in South African agriculture is likely to strengthen performance in a way that drives growth and employment opportunities, rather than stunting them; and that the ability to continue generating such opportunities relies on industries like ours keeping pace with global trends to stay competitive. The game is changing, and we must change with it.

Which leads us to the 2026 edition of the Euromonitor International Top Global Consumer Trends Report, which is unequivocal about the fact that personal wellness, health and lifestyle are primary concerns for consumers. Indeed, the report goes as far as to

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theorise that consumers are seeking to insulate themselves from the chaos taking shape around them by effectively 'cocooning'.

Within the cocoon, one of the major trends at play is an increasing tendency to focus on personal health and well-being:

> ***"The relentless pace of modern life can feel like a non-stop rollercoaster. And consumers want off. They're looking for comfort, calm and mental refuge to protect their peace in a contentious world... People are reevaluating how they spend their time, money and energy. And two thirds of consumers look for ways to simplify their lives."***

Nutrition obviously plays a key role in our understanding of how to approach personal health and wellness – and equally important within the cocoon is the spiralling presence of apps and devices. Stating that 58% of consumers experience moderate to extreme stress on a daily basis, the report says, 'holistic wellbeing becomes an attainable priority focused on realistic and intentional consumption choices.' It then explains that an incredible three in four consumers 'track their health with a device or app'.

After going through both reports we emerge with a clear picture of an increasingly AI empowered fresh produce industry servicing consumers who are under rising levels of stress and who, as a result, are placing greater emphasis on their own personal life trajectories and health, using AI powered tools and devices to reach their goals. Within this picture, demand for nutritious fresh produce is highly likely to be sustained. Looking forward, then, the big industry question is which players will service that demand most effectively.

So, what does this mean for our business, especially within the South African context?

Consumer food price inflation slowed to 3.7% in February 2026, down from 4.0% in January, while headline inflation was 3.0% in February 2026, down from 3.5% in January, but of course soaring oil prices may soon dampen this progress. Thus, the pressure is very much still on South African households, and is likely to remain so over the medium term, at least. It's therefore imperative that everyone in our business pays detailed attention to how we understand and utilise the many powerful new tools at our disposal to help our customers (and our customers' customers) face their challenges and derive as much value as possible from their lives, and their wallets. If we get this right, the future remains bright, even with challenging clouds surrounding us.

Best wishes
Jaco Oosthuizen