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Industry, exporters want sustained engagement after South Africa's exclusion from Agoa

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In response to the US having announced that South Africa will be excluded from the African Growth and Opportunity Act (Agoa) preferential trade access policy from January 1, 2027, industry organisation South Africa Wine (SA Wine) has called on the South African government to pursue a decisive, two-pronged approach.

The immediate priority must be to find a negotiated way forward, and the next 60 days are vital, it says.

SA Wine advocates for intensifying high-level diplomatic engagement with the US while also developing a credible

alternative trade proposal that offers a meaningful basis for negotiation.

The government must bring together the necessary expertise and resources to put a substantive proposal on the table before the proposed implementation date.

This engagement should include close cooperation among Southern African Customs Union (Sacu) partners where appropriate, as well as direct consultation with affected industries to ensure that the commercial consequences are properly understood.

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Both immediate diplomatic efforts and an alternative trade proposal are necessary to protect South Africa's long-term competitive position.

The potential combined tariff a wine exporter to the US will face will approach 16% if Agoa preferences fall away. The concern is the cumulative effect of tariff increases and ongoing uncertainty on businesses trying to plan, price and compete in the US market, the organisation says.

The US has declined from being South Africa's third-largest export market by value for packaged wine to its seventh-largest, but remains firmly within the country's top ten markets.

In 2025, the value of bulk wine exports to the US declined by 79% to R13-million.

The issue, therefore, is not whether South African wine can continue entering the US market, but whether its wine producers can do so competitively and profitably, SA Wine says.

Further, beyond immediate negotiations, South Africa should pursue a more predictable and lasting trade arrangement with the US, as South Africa's wine industry cannot achieve long-term export growth while businesses remain uncertain about the conditions under which they can trade.

"Incremental measures will not be enough. We need a clear strategy, decisive action and tangible progress towards an agreement that protects our exporters' competitiveness. South Africa Wine stands ready to work with the government and our industry partners to find a constructive solution," it says.

Meanwhile, export promotion organisation Exporters Western Cape (EWC) says the focus must now shift to helping affected businesses retain their US customers. The loss of Agoa will raise the cost of doing business with US customers.

The Western Cape's exports to the US support about R12.98-billion in provincial GDP, 11 914 direct jobs and 35 467 indirect jobs, says EWC chairperson **Terry Gale**.

The value of Western Cape exports to the US fell 41%, from R16.89-billion between August 2024 and July 2025 to R10.02-billion between August 2025 and July this year.

"Government needs to work with affected industries to establish where the greatest exposure lies and how businesses can be helped to retain their customers. Exporters need to understand what this means for their products while they have time to discuss arrangements with their buyers," says Gale.

Clear guidance will be essential for businesses negotiating orders extending into 2027. The implications for pricing could affect

whether an exporter remained competitive or had to absorb additional costs to keep a customer.

Developing alternative markets remains essential, but diversification is not an immediate solution, he notes.

"We should pursue new opportunities with urgency while working to retain our US customers. We cannot afford to write off established trading relationships simply because the terms of access are becoming more difficult," says Gale.

Additionally, the US announcement makes it more urgent to address domestic constraints that increase the cost of exporting, he emphasises.

"Government cannot ask exporters to compete under more difficult trading conditions while accepting avoidable costs and delays at home. Every unnecessary expense makes it harder for a South African supplier to hold on to an order. Improving the reliability of our logistics system is one area where we can make a meaningful difference.

"Businesses need to know what changes from January and what support will be available. The priority must be to help them continue trading, because lost orders put jobs at risk," Gale says.

Further, agriculture industry organisation AgiCulture South Africa (AgriSA) calls for continued diplomatic engagement, clear information for exporters and practical measures to preserve agricultural competitiveness.

South Africa's agricultural exports to the US were estimated at $504-million in 2025, down about 3% from the previous year.

This demonstrates the resilience of exporters and established customer relationships during a period of significant tariff uncertainty, says AgriSA CEO **Johann Kotze**.

However, a single average tariff estimate cannot describe the consequences for every exporter. Businesses need authoritative guidance on their specific tariff classifications, exemptions, implementation dates and treatment of shipments already contracted or in transit, he says.

The immediate response should prioritise sustained engagement with the US to address the stated concerns and seek to preserve preferential treatment, as well as clear, product-specific guidance so that exporters and their US customers can plan on the basis of confirmed requirements.

Additionally, South Africa must prioritise faster market diversification and domestic reform, including sanitary approvals, reliable ports, effective biosecurity and efficient certification, he adds.

AgriSA says South Africa should also explore a more predictable long-term trading framework with the US, working with its Sacu partners and respecting existing regional obligations.

Diversification remains essential, but established markets retain their value. New destinations require regulatory approvals, distribution networks and commercially viable demand.

Expanding these opportunities should accompany continued efforts to strengthen trade relationships with the US.

While the US represents a relatively small share of South Africa's total agricultural exports, it is an important destination for

particular producers and regions, accounting, for instance, for 28.85% of South African litchi exports in the 2025/26 season.

Certain citrus-growing regions also have established US customer relationships. Specialised seed, ostrich-product and processing businesses form part of the broader trading relationship, although their direct reliance on Agoa preferences differs, AgriSA says.

AgriSA urges all parties to communicate responsibly. Agricultural exporters have demonstrated resilience, and the US market remains open.

The task now is to retain customers, manage additional costs and protect the conditions for investment and rural employment, AgriSA says.

Agriculture industry organisation TLU SA says the loss of preferential access for South Africa's agricultural producers under Agoa will undermine the competitiveness of South African exporters and place pressure on the country's economy, the agriculture sector and employment.

The US government has raised concerns about South Africa's trade and investment barriers, corruption and issues relating to national security and foreign policy.

"Investor confidence, policy certainty and a safe operating environment for businesses are essential for economic growth. However, government's actions increasingly create the impression that political ideology, the retention of power and self-enrichment have become more important than the prosperity of South Africans," TLU SA states.

Poor policy decisions affect the farmer who exports, the business that creates jobs and the employee who depends on that job, says

TLU SA GM **Bennie van Zyl**.

The 60-day notification period must not become an excuse for further delays. The question is whether the government is prepared to urgently and practically address the real issues undermining the trading relationship, he says.

South Africa must restore its existing trade relationships where possible, while urgently developing alternative export markets.

Market diversification is essential, but it cannot happen overnight and does not replace the value of established trading relationships.

CITRUS

The loss of Agoa is not only a loss for South Africa's citrus industry, but for US consumers as well, says industry organisation the Citrus Growers' Association of Southern Africa (CGA).

"Citrus trade between South Africa and the US has always been mutually beneficial. Our citrus is complementary to their production. Our fruit helps keep US consumers in the citrus category during the US off-season. Seasonal fresh produce does not threaten US jobs. It helps keep the US healthy, and also helps contain food inflation," says CGA CEO Dr **Boitshoko Ntshabele**.

Agoa is particularly significant for growers in the Western and Northern Cape, where entire communities depend on South Africa–US trade. Citrusdal is a clear example of an entire town's economy that is directly tied to competitive access to the US market.

"A citrus grower cannot simply divert his crop to another market, as markets have different phytosanitary requirements and consumer tastes. Entire orchards have been planted specifically for the US market. Our exclusion from Agoa will result in job losses in

the Western and Northern Cape. It is too early to say how many, but some people will lose their jobs when this happens," says CGA chairperson **Gerrit van der Merwe**.

Further, the loss of Agoa means that the exporters of mandarins, lemons and grapefruit will face both the 12.5% Section 301 tariff and the normal rate of duty, which would place these products at a severe disadvantage to competitors such as Peru and Chile, which benefit from trade agreements as well as shorter transit times, he says.

The US citrus market has been built over decades through strong commercial relationships. Thousands of people in the US are employed in importing, handling, distribution and retail because of South African citrus.

The value chain on both sides of the Atlantic is now under threat.

CGA hopes that a future bilateral agreement between South Africa and the US will acknowledge the unique place seasonal fresh produce holds in world trade, Ntshabele says.

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