Moneyweb

Moneyweb@Midday

Tariff shake-up: Can SA farmers turn crisis into opportunity?

‘Our big risk is that these tariffs are but the first step in a much bigger initiative from the USA, something like limited sanctions, something similar to what they did to Zimbabwe,’ says Dr Theo de Jager, chair of the Southern African Agri Initiative.

By **Jeremy Maggs** · 4 Apr 2025 16:44

[TOP STORY] Tariff shake-up: Can SA farmers turn crisis into opp iono.fm
4 APR 3PM / MONEYWEB@MIDDAY
00:00 08:00

You can also listen to this podcast on iono.fm here.

JEREMY MAGGS: So let’s move now from local politics to tariffs. With the United States being a top five export destination, particularly for our fruit, the implications of the Trump tariff hike for farmers, for jobs and rural economies are increasingly serious.

I want to give you another perspective on this issue now. I’m in conversation with Dr Theo de Jager from the Southern African Agri Initiative [SAAI]. Dr de Jager, a very warm welcome and let’s get straight to it. How bad is this news for South African farmers and particularly the citrus sector?

THEO DE JAGER: It is bad, Jeremy, and it’s always bad when you lose your competitive edges on any foreign market because we are in direct competition with farmers in Argentina, in Australia, in New Zealand, who are producing in the same season as us. But there are quite a number of issues around it, which are not yet that clear.

Is this overriding Agoa [African Growth and Opportunity Act]? It seems so, but it’s not yet being said. It’s not only our citrus, it’s also our wine. There are a lot of our nuts going to the USA and we could come onto the shelves at a cheaper price for a higher quality because of the benefits which we enjoy at Agoa.

Read:
Tariffs have essentially nullified Agoa – Tau
Parks Tau seeks talks with US on tariffs
Trump tariffs: SA gets hit with a 30% reciprocal duty

But then in total, it's only about 4% of our agricultural exports. It does open a few opportunities too, because it's not only us who have received this slap from the Americans, some of our competitors too. The issue is whether our government is now awake enough to grab the ball in the broken game and score from here. There are new opportunities opening up too.

JEREMY MAGGS: Dr de Jager, let's look at those new opportunities in a moment. But given the margin-sensitive nature of farming, is it fair to say that these tariffs could force some farmers out of business unless some kind of mitigation strategy is urgently implemented?

THEO DE JAGER: Yes. There are a number of farmers, we have a number of our members who are very concerned because in the marketing basket, too much has been put into this file of the USA, and they were too reliant on the benefits of Agoa.

JEREMY MAGGS: So I accept your argument, to a point, as far as looking for new opportunities are concerned, but we're going to have to move very quickly, given that other countries hit with similar tariffs are going to be doing exactly the same thing in looking for new market opportunity.

THEO DE JAGER: Ja, there's quite a shuffle in the agricultural markets now. Remember, we did not export grains or much sugar or meat. None of those went to the USA. The rest of the packet, which went out, included stuff like animal feed, which is not in the food basket, but it's produced on the same farms and it is on a number of those smaller products where we still have very little certainty both about what the implication would be and also how much leeway there is to still make a deal.

Listen:
South African agriculture needs to crack the Chinese market
SA farmers fear the worst as US considers citrus tariffs

JEREMY MAGGS: Do you have any confidence that our government can realistically challenge or even negotiate these tariffs with Washington? Or are we simply too small and irrelevant a player?

THEO DE JAGER: We are small and not that relevant. But in a paradigm shift like the one which is being brought about by the second Trump administration, there are opportunities for small and less relevant players too.

JEREMY MAGGS: So who are those non-state actors and what should they be doing to accelerate the process then?

THEO DE JAGER: Organised business, SADC [Southern African Development Community], the

THEO DE JAGER: Organised business, SADC [Southern African Development Community], the broader region, because it seems as if there is a better relationship taking form between SADC and the USA than between South Africa and the USA. Then certain industry bodies, we haven't

> **The question is whether our government can take the gap or not. As farmers, we put a lot of hope on the non-state actors to take those opportunities.**

had this discussion between, for example, us as organised agriculture and the USA, not even here in Pretoria with the local embassy.

Read: [US urges visiting South Africa business leaders to balance trade]

But we hope that in those kinds of discussions we might still open some gaps. Our big risk is that these tariffs are but the first step in a much bigger initiative from the USA, something like limited sanctions, something similar to what they did to Zimbabwe. That might really be our biggest threat.

JEREMY MAGGS: And what leads you, Dr de Jager, to that conclusion?

THEO DE JAGER: We've had a number of discussions with institutions in the USA, trying to get advice from them, trying to understand better exactly what the implications, the nuts and the bolts of the tariffs would be, such as the Hudson Institute. We got tipped off that these tariffs might be only the first step.

Of course, in SAAI we are also the biggest voice for farmers in Zimbabwe at the moment. We've gained some experience in how those kinds of sanctions work – sanctions against individuals, against companies and against networks.

> **The easiest way to explain it is that it's more or less like how BEE [Black Economic Empowerment] works in South Africa.**

It's not only you or your company, but also those you are doing business with. It is everybody who deals in dollar. Even if it is for a flash of a second that a transaction needs to be translated into dollar terms, it can impact on you.

JEREMY MAGGS: Dr de Jager, let me ask you this in conclusion. What then, again, if your argument is to be believed, what do these developments say about the current state of our agricultural diplomacy and international trade readiness? I suspect that you're not too confident.

THEO DE JAGER: Ja, as I say, it's a bit like in rugby – points are seldom scored in the conventional play. It is in the broken play where you get possession of the ball. This is one of those moments of broken play. Remember Jeremy, in agriculture we are producing for global markets. Every farmer every day is in competition with the best other farmers in the world. Our markets. Every farmer every day is in competition with the best other farmers in the world. Our products wash across international boundaries like water. We are very vulnerable to more competitive adversaries.

But South Africa has got a very good product, and our machinery is well oiled for international trade. Now one of our markets, and it is not that big a market, 4% of our products, introduces tariffs but not only against us, against many other of our competitors too, and they are shaking up the markets and there is very little we can do about it as farmers. Our government can do something about it, but not us.

JEREMY MAGGS: All right, I'm going to leave it there with my thanks. Dr Theo de Jager, I appreciate your time, from the Southern African Agri Initiative.

*Follow Moneyweb's in-depth finance and business news on **WhatsApp here**.*

TAGS: AGOA | AGRICULTURAL EXPORTS | CITRUS | DR THEO DE JAGER | JEREMY MAGGS | LIMITED SANCTIONS | MONEYWEB@MIDDAY | NEW OPPORTUNITIES | NUTS | SA AGRICULTURE