

■ ECONOMY

SA citrus exports at risk of being squeezed by Trump's sweeping tariffs

US 'Liberation Day' casts uncertainty over the future of SA's burgeoning agricultural exports to the US

03 APRIL 2025 - 16:07

by JANA MARX



Citrus being packaged for export. Picture: SUPPLIED

Of all the sectors potentially affected by US President Donald Trump's newly imposed tariffs, agriculture is among those likely to be one of the hardest hit, though analysts are still assessing the possible extent of the damage.

SA's citrus and other key agricultural exports are in Washington's crosshairs after the US abruptly announced 30% reciprocal levies under a new global trade regime, which President Donald Trump has dubbed the "Liberation Day" tariffs.

The move casts renewed uncertainty over the future of the African Growth and Opportunity Act (Agoa) and the competitiveness of SA's

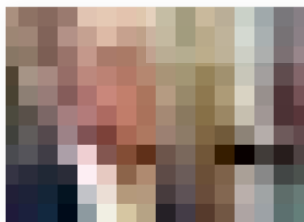
burgeoning agricultural exports to the US.

Tariffs are typically calculated as a percentage of an imported product's value and paid by the importer when the goods enter the country. The primary aim is to make imported products more expensive, thereby encouraging consumers to buy domestically produced alternatives.

While tariffs can protect local industries from foreign competition, they can also lead to higher prices for consumers and strained trade relations between countries.

Paul Hardman, COO of the Citrus Growers' Association (CGA), said the industry was still determining the likely effects of the announcement. Globally, SA is the second-biggest exporter of citrus.

"Citrus, unlike factory-produced products, is a seasonal fruit," Hardman said. "SA does not compete with the citrus producers of the US. In fact, quite the opposite — we sustain customers' interest when their local citrus is out of season, benefiting US citrus growers in the end. Every single year, we 'hand over' buyers to our counterpart growers in places such as California, Arizona and Texas."



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Hardman said the tariff could inadvertently hurt American consumers.

"Citrus also plays an important role in the healthy diet of Americans. Tariffs on seasonal fresh produce can possibly increase prices for the American consumer," he said.

SA exports about 9% of its citrus production to North America.

"The American consumer has clearly developed a taste for SA citrus — with exports nearly doubling since 2017," said Hardman.

“We are in contact with our American counterparts to obtain as much clarification on the tariff announcement as possible.”

Wandile Sihlobo, chief economist at industry body Agbiz, said the US action presented a serious challenge for SA's agriculture.

“We are yet to receive full details of how the tariffs announced last night will apply. It is perhaps more prudent to work on the assumption that the duty-free access SA enjoys through Agoa is probably over or, at best, will be limited,” said Sihlobo.

Sihlobo noted that the White House cited what it sees as trade imbalances as the basis for the new tariff structure.

“We also believe the 60% tariffs the US authorities argue SA imposes on the world are not based on sound trade calculations. SA's average tariffs — at the [World Trade Organisation's] Most Favoured Nations rate — average 7.4%, far lower than the 60% the US argued SA levies,” he said.

“Therefore, we believe the US considered trade deficit and other aspects in their calculations, not mainly tariffs SA and other nations impose on the US.”

Sihlobo added that while the US accounts for just 4% of SA's agricultural exports — valued at \$13.7bn in 2024 — those exports had enjoyed duty-free access under Agoa.

“In the current uncertain environment, we will face a price competitiveness challenge against competitors such as Chile, Australia and Brazil, which have tariffs of just 10%. This will weigh on SA citrus, wine, grapes, fruit juices and nuts, among other products.”

SA exports mostly white wine to the US, Sihlobo said, adding the country should seek a more permanent solution.

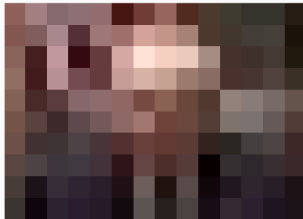
“We remain convinced that SA should seek a free-trade agreement with the US when the dust settles. A reliable, long-standing trade arrangement would serve the SA industries well.”

Kenya is engaged in such discussions and they “have been levied far lower tariffs of 10%”.

Sihlobo warned that uncertainty would persist for now.

“For businesses, the uncertainty will linger until there is clarity about product-specific tariffs, which will help plan the new environment. Again, the US authorities have yet to communicate the path forward for Agoa.”

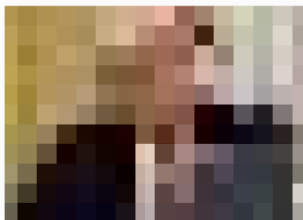
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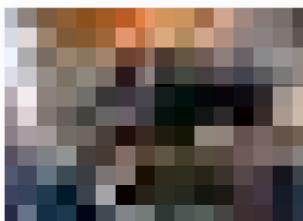
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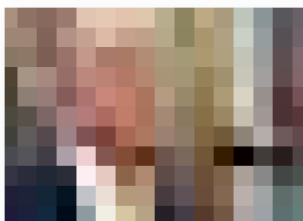
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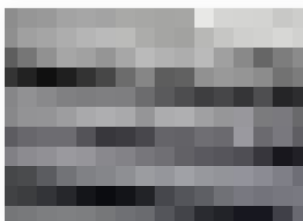
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