

US tariffs a major challenge for South African agriculture

By Octavia Avesca Spandiel | 3 April 2025 | 8:19 pm

US President Donald Trump announced on 2 April that he would impose at least a 10% tariff on all exports to the United States, with some 60 nations, including key trading partners like China, the European Union, Japan, and Vietnam, facing even higher duties.



2 SHARES
Tweet 0 Share 0 Share 0 in Share 0 Flip Print 2

Email 0

Trump slapped a 30% tariff on goods from South Africa. The tariff was due to come into effect on 5 April.

Speaking to *Farmer's Weekly*, Wandile Sihlobo, chief economist at Agbiz, said that while the country was awaiting the full details of how the tariffs announced by Trump would apply, it was clear that the duty-free access South Africa enjoyed through the African Growth and Opportunity Act (AGOA) was likely over.

"The exact levies, especially for South Africa, remain unclear, but we suspect there may be differences based on the type of product. The White House Council of Economic Advisers will likely determine the final tariff structure, considering factors like trade imbalances and non-tariff barriers," he said.

"While the uncertainty lingers, we believe that South Africa should seek a Free Trade Agreement [FTA] with the US once the situation stabilises. A stable and long-standing trade agreement would benefit South African industries, and we can look to Kenya as an example, as they have been able to secure lower tariffs through FTA negotiations."



Disputing the tariff claims

He added that the US authorities argued that South Africa imposed tariffs of up to 60% on imported goods from the US. However, Sihlobo said that this was not true, and that South Africa's average tariffs sat at around 7,4%.

"The US likely considered trade deficits and other factors in their [tariff hike] calculation. For South African agricultural exports, which account for 4% of the country's total agricultural exports, the imposition of these tariffs could present serious challenges.

"South Africa faces a competitiveness challenge, especially against countries like Chile, Australia, and Brazil, which only face a 10% tariff," Sihlobo said.

He added that citrus, wine, grapes, fruit juice, and nut exports were expected to be impacted most severely.

Wine industry's concerns

Wanda Augustyn, communications and brand manager at South Africa Wine, expressed deep concern over the 30% tariff on South African wine imports to the US.

"The US is a high-value market for South African wine, and these new tariffs will undermine our competitiveness, reduce foreign exchange earnings, and put jobs and investment at risk across the wine value chain," Augustyn said.

She added that the US is currently the ninth-largest destination by volume and fourth-largest by value for South African wines. The total wine exports percentage is 6,4%. However, with the new tariff structure looming, Augustyn said the industry needed clarity on product-specific tariffs before making any strategic decisions.

"Until we have a better understanding of the tariffs, it's premature to make concrete announcements. We will continue to engage with stakeholders at the highest level to assess the impact on our industry," she said.

SOUTH AFRICA HAS SOME OF THE LOWEST TARIFFS. AT THE MFN RATE, THE AVERAGE TARIFF IN SOUTH AFRICA IS 7.4%. THE IDEA THAT WE ARE AT 60% AGAINST THE US IS INCORRECT.

YES, THERE ARE INSTANCES WHERE CERTAIN PRODUCTS FACE HIGHER DUTIES BECAUSE OF SPECIFIC CIRCUMSTANCES.

— WANDILE SIHLOBO (@WANDILESIHLOBO) APRIL 3, 2025

