

US tariffs on South African citrus will harm both countries

Yesterday - by Staff reporter



CGA chief executive Dr Boitshoko Ntshabele.

The Citrus Growers' Association of Southern Africa (CGA) has called on the South African government to urgently negotiate with the US on tariff reductions or exemptions on citrus imports to the country.

The CGA said in a statement on Tuesday that the 30% reciprocal tariffs on SA goods announced by US President Trump last week, which come into effect on 9 April, would hurt South African citrus farms and the rural communities they supported.

“The CGA is calling on the South African government to prioritise immediate negotiations with the US on tariff reductions or exemptions on citrus,” the statement said.

“This is urgently needed to avoid job and revenue losses in the citrus industry, South Africa's largest agricultural export industry.”

This week the first citrus intended for the US market will be packed by South African growers just as the expected additional tariff on exports to the US comes into effect.

CGA chairperson and citrus grower in the Olifants River Valley, Gerrit van der Merwe, said that while South Africa only exported about 5-6% of its citrus produce to the US, many rural communities in the Western and Northern Cape were heavily dependent on US exports.

“A prime example of this is Citrusdal, where exports to the US form the economic heart of this vibrant town,” he said.

“The severity and immediate nature of the impending tariffs could mean that towns like it now face either increased unemployment or maybe even total economic collapse.

“There is immense anxiety in our communities.”

He added that, in total, 35 000 jobs were connected to SA-US citrus exports in one way or another.

According to the CGA, the additional 30% tariff will make South African citrus uncompetitive in the US market, especially since only the baseline US tariff of 10% will be levied on South Africa's citrus competitors, who are mostly in South America.

The 30% tariff will place an additional \$4.25 per carton on SA citrus in the US.

"There are clear and convincing arguments for why our government must act swiftly and decisively to safeguard citrus," said CGA chief executive Dr Boitshoko Ntshabele.

"Citrus is not produced in a factory. SA citrus growers do not compete with US citrus growers. In fact, quite the opposite. Our high-quality produce sustains consumer interest when US local citrus is out of season, eventually benefiting US growers when we hand over at the end of our season.

“Citrus also plays an important role in the healthy diet of Americans.

“Tariffs on seasonal fresh produce will most likely increase prices for the American consumer.”

He added that citrus should be on the White House's exemption list as it is seasonal, supports US health and the US citrus industry, and helps keep food inflation down.

According to the CGA, citrus exports to the US have almost doubled since since 2017 to over 6.5 million cartons. It is also estimated that 20 000 jobs in the supply chain in the US were linked to US-SA citrus trade.

The association warned that, although only citrus from the Western and Northern Cape was exported to the US because of outdated phytosanitary rules, “extreme urgency” was needed to address the situation.

This is because when the tariffs hit, large volumes of citrus destined for the US will be redirected to other markets, potentially destabilising them, with a knock-on effect on

the entire Southern African citrus industry.

"The US volumes cannot be easily absorbed elsewhere at such short notice," said Ntshabele.

"We already face very steep tariffs with exports to promising markets like India and China. We appreciate government's announcement that it will intensify efforts to diversify export destinations, targeting Asia, Europe, and the Middle East, to name a few, but we need to retain current markets as well, as our citrus production is projected to increase substantially in the next few years."

Ntshabele highlighted that an increase in exports to the US was one of the cornerstones of the CGA's target to create 100 000 additional jobs by 2032.

"We are now looking at a potential situation wherein not only will we be facing job losses, but we also lose the potential of serious job growth – a double tragedy.

"The SA government should urgently work towards a new trade agreement with the US, but such agreements can take years, and we do not currently have the time. The 2025 season has already arrived, and the produce is making its way to the ports."

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