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Tariff hikes: Hunt for new agricultural markets must begin now

Efforts will intensify to diversify export destinations, targeting markets across Africa, as well as in Asia, Europe, the Middle East, and the Americas, say SA ministers.

By Wandile Sihlobo · 9 Apr 2025 04:07

The author says there is also scope to provide more flexibility for US products in the SA market to ease current tensions. Image: AdobeStock

The South African government has underscored the urgent need to diversify the country's agricultural exports in the wake of the US decision to increase tariffs on its trading partners.

The progress of South Africa's agricultural sector has relied partly on exports, which now account for roughly half of the production in value terms.

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South Africa's agricultural exports reached a new record of US$13.7 billion in 2024, up 3% from the previous year, according to data from Trade Map. South Africa also imports various agricultural products. In 2024, South Africa's agricultural imports amounted to US$7.6 billion.

The US accounts for 4% of South Africa's agricultural exports. The biggest agricultural exports to the US are citrus, wine, grapes and nuts. These typically entered the US market duty free, and to the US are citrus, wine, grapes and nuts. These typically entered the US market duty-free, and now fall under the tariff level of between 10% and 31%, which Washington has levied on South Africa.

The ministers of International Relations and Cooperation and of Trade, Industry and Competition said in a statement after Washington's move: "Efforts will intensify to diversify export destinations, targeting markets across Africa, as well as in Asia, Europe, the Middle East, and the Americas.

> **"Moreover, where deemed appropriate, such efforts will also involve bilateral arrangements that allow for the pursuance of our national interest."**

As a medium- to longer-term strategy, this makes sense in the context of the trade friction with the US and the overall growth of South Africa's agricultural sector. But export diversification will take time to achieve.

New markets take time to open up because negotiations with countries, especially in agricultural products, are complex. For example, it took 16 years for South Africa to reopen Thailand for apple exports. Moreover, trade agreements typically take a minimum of five years to conclude.

This means that, in the short term, the South African government will urgently be seeking to

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