South African fruit exports to U.S. at risk under Trump tariffs

South Africa's citrus and fruit exports to the United States are under pressure following the imposition of a 30% reciprocal tariff by the Trump administration. Although a temporary pause has reduced the tariff to 10% for 90 days, the sector faces significant risk if parity with competitors like Australia, Brazil, and Chile is not maintained.

Wandile Sihlobo, chief economist at the Agricultural Business Chamber, warns that without equal footing in the U.S. market, "we'll be pretty much out of the game as far as fruit exports to the U.S. go." The affected goods represent 4% of South Africa's total agricultural exports, worth around $500 million, but the impact is concentrated in citrus, grapes, nuts, and wine—key export crops from regions like the Western Cape, Mpumalanga, Limpopo, and the Eastern Cape.

High tariffs could be devastating for rural economies dependent on U.S.-bound fruit exports. While the first shipment of fruit for the season has left for the U.S., the 90-day window offers only a short-term relief. Sihlobo emphasizes the urgency of resolving tariff issues and rebuilding relations with the U.S. to safeguard future market access.

He expressed cautious optimism over the appointment of Mcebisi Jonas as President Ramaphosa's special envoy to Washington, despite Jonas's past criticism of Donald Trump. "Hopefully, his experience and stature will help clarify misunderstandings and work toward a favorable trade agreement," Sihlobo said.

Looking ahead, Sihlobo underscores the need for long-term diversification. Building new markets in Asia and the Gulf—including China, India, Vietnam, and Saudi Arabia—will require deeper government-business cooperation and faster action. South Africa's citrus exports to India face a 30% tariff, while competitors face none. "We weren't napping," Sihlobo said, "but we now have to accelerate efforts to secure new trade agreements."

With the EU market already saturated and South Africa consuming only about 30% of its agricultural production domestically, expanding fruit exports to new markets is critical. "The rural economy depends on it," Sihlobo said. "We need to get our act together in a big way."

Source: Farming Portal (https://www.farmingportal.co.za/index.php/farming-news/south-africa/11576-agricultural-tariffs-a-ticking-time-bomb)

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