

Piet Smit – Favourite Fresh Export:

Cape citrus exporter staying the course despite vexing tariff uncertainty

In his many years of citrus marketing, Piet Smit of Favourite Fresh remarks, he has never witnessed the level of uncertainty brought about by the United States' new tariff regime, still not finalised. The United States retained its threat of a 30% tariff but postponed the commencement by two weeks to 1 August 2025.

"The can has just been kicked down the road," Smit says. After years of sending citrus at 0% duty to the United States, South Africa doesn't enjoy many free trade agreements with its global trading partners – their exports are currently taxed at 10% for the remainder of the month.

In its latest newsletter, the Citrus Growers' Association CEO Boitshoko Ntshabele maintains the hope of a mutually beneficial trade deal between South Africa and the US by 1 August, "or, at the very least, that an exemption for citrus and other seasonal fresh produce can be negotiated."

The highly structured market had treated the South African citrus industry well. When other markets were underperforming, the US could be counted on for reliability. South Africa, in turn, also confers a degree of stability on the United States through keeping the citrus category alive in summer, as the CGA points out in its latest newsletter.

Considering the scale of growth projected, securing favourable access to the US market should be a priority, and so should improving access to China and India, two countries where South African citrus also faces tariffs.

If no exemption can be negotiated within the next two weeks, the import duty on South African citrus to the United States will go from 0% to 30%. That cannot be allowed to happen, the industry association believes, and it will imperil citrus-producing towns like Citrusdal, which, the CGA notes, are sustained by exports to the United States.



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Maintaining shelf space is top priority

Meanwhile, exporters have to decide on a game plan for a season without precedent. "We have to fix programmes with our clients in the United States, programmes that took us years to establish. We have to maintain a presence," Smit says.

The situation is uncomfortable for their clients, too, who attempt to keep price hikes from consumers. The extra costs have to be absorbed by the supply chain, and as a grower-exporter, Favourite Fresh Export tries to minimize the impact along the supply chain.

"At this stage, we won't be loading out less citrus to the US than other seasons," he says. "We will be doing everything in our power to fulfill our programmes and honour our commitments after July if the higher tariff then does come in."

They live in hope, he adds, that the tariff will not be hiked to 30%: it would put them at a distinct disadvantage vis-a-vis their South American counterparts. "As I understand it, they have a 10% tariff, so it would leave South Africa with a 20% and our fruit will become more expensive, or be shipped at a higher cost than currently."

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