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Steenhuisen warns of massive knock to citrus, other commodities if Agoa expires

5TH MARCH 2025 BY: MARLENY ARNOLDI - DEPUTY EDITOR ONLINE



Agriculture Minister John Steenhuisen

Agriculture Minister John Steenhuisen stresses that South Africa's citrus industry stands to lose a lot if the US

decides not to extend the country's benefits under the African Growth and Opportunity Act (Agoa).

In an opinion piece published by Business Day on March 5, Steenhuisen says Agoa has been a pillar of South Africa's trade with the US, with the agreement having granted preferential market access to a range of agriculture products – including citrus.

South Africa is the second-largest exporter of citrus globally, including more than 102 000 t to the US on a tariff-free basis last

year. This equates to 6.8-million 15 kg cartons valued at R1.7-billion.

Steenhuisen points that the total tariff penalty on South Africa's exports, without Agoa, would have been R35-million last year.

Should the Agoa privileges be eliminated, citrus exports will be subject to an average tariff of 1.53%, which seems minor, but given the industry's tight profit margins, this cost being passed down to farmers and workers could upend the industry – an industry that serves as an economic lifeline and source of jobs for thousands of people across the agriculture value chain.

The citrus industry alone supports about 250 000 jobs across its entire value chain, spanning farm labourers, transport and logistics workers, as well as packaging and export specialists, of which many are based in rural areas where citrus farming serves as a cornerstone for local economies.

Moreover, Steenhuisen says South Africa competes against citrus exporters such as Spain, Morocco and Egypt, which enjoy trade agreements with the US.

“Losing Agoa would place the country at a disadvantage, making products less competitive,” he asserts.

The Citrus Growers' Association of Southern Africa (CGA) has also expressed concern about the loss of Agoa leading to reduced market share in the US, as well as financial strain on farmers and exporters.

Steenhuisen states that South Africa's agriculture sector is deeply interconnected, with each link in the value chain being reliant on sustained exports. For example, a decline in citrus exports would lead to reduced demand for fertiliser, pesticides and equipment,

which negatively impacts these suppliers, as well as less demand for logistics providers.

Additionally, the ports in Durban and Cape Town could also experience financial losses owing to reduced handling of fruit export volumes, as could packaging facilities that produce cartons, crates and labelling material.

Other impacts will include damage to South Africa's reputation as a reliable citrus supplier, if logistical inefficiencies arise owing to sudden shifts in export patterns. This would make it even harder for producers to regain lost market share even if alternative trade agreements are negotiated in future.

Ultimately, Steenhuisen mentions that Agoa has encouraged foreign direct investment in agriculture, particularly in citrus farming infrastructure. If the US market becomes less accessible, investors may redirect funds elsewhere, which undermines the sector's long-term growth potential.

Other commodities such as wine and table grapes, as well as processed foods, also hang in the balance, with these products having seen steady growth in the US market under Agoa.

Steenhuisen encourages stakeholders in South Africa to accelerate diversification of citrus export destinations, particularly to China, India and Middle Eastern countries.

He also urges more investment in cold storage logistics and supply efficiencies to make the industry more competitive.

For example, Argentina, a citrus exporter that does not benefit from a free trade agreement with the US, has focused on strengthening its phytosanitary protocols, logistics infrastructure

and securing niche markets in Asia and the Middle East for lemons and oranges.

However, considering the far-reaching implications of losing Agoa, Steenhuisen implores all stakeholders – government, industry and US counterparts – to prioritise Agoa’s renewal.



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