South African citrus exports face uncertainty over AGOA renewal

Tensions between South Africa and the United States are creating uncertainty for the country's citrus industry, particularly regarding future access to the American market. While former US President Donald Trump recently offered asylum to Afrikaners—calling them "racially disfavoured landowners" in response to South Africa's new land expropriation policy—it is the fate of the African Growth and Opportunity Act (AGOA) that has become the primary concern for citrus exporters.

AGOA, which provides tariff-free access to US markets for Sub-Saharan African countries, is set to expire in September 2025. South Africa is one of its largest beneficiaries, and with Trump's past record of imposing tariffs on major trading partners like Canada and Mexico, the citrus industry fears the agreement may not be renewed. Some experts have even suggested South Africa should withdraw from AGOA voluntarily to avoid sudden disruptions.

In Citrusdal, a major citrus-producing area in the Western Cape, anxiety is growing. The region, located at the foot of the Cederberg mountains, produces lemons, oranges, and tangerines for export to the UK, Europe, and the US. Although harvesting only begins in July and August, exporters are already bracing for potential market losses.

Gerrit van der Merwe, chairperson of the Citrus Growers' Association and managing director of ALG Estates, said the impact could be wide-reaching. "We take a step back, that's a hit. Not just on the farmers but on the community. If we are missing out on prosperity, the slack will probably get picked up either by a citrus farmer in Peru or some farmer in Spain," he said.

South Africa is the world's second-largest citrus exporter after Spain. While only 9% of citrus exports go to the US, van der Merwe emphasized the importance of maintaining access. "AGOA is probably responsible for 35,000 jobs in the citrus industry in South Africa, but also indirectly responsible for 25,000 jobs in the US for truck driving, repacking, running cold rooms, and that type of thing. We have a 35 to 45% unemployment rate in South Africa. We need wins."

In Citrusdal, workers from the Coloured community were recently seen removing insect-infected oranges from trees to protect the crop. The farmland has been in the van der Merwe family for 13 generations, tracing back to Dutch colonial rule in the 17th century. The country's racially unequal land ownership, entrenched under apartheid, remains largely unchanged, with white South Africans—7% of the population—owning more than half the land.

A new land expropriation bill, signed by President Cyril Ramaphosa but not yet enacted, allows the government to seize land in the public interest. Trump criticized the policy with an executive order and extended an offer of asylum to white South African farmers.

Source: Sky News (https://news.sky.com/story/tens-of-thousands-of-jobs-on-south-africas-citrus-farms-at-risk-if-us-imposes-tariffs-13334064)
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