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# SA farmers fear the worst as US considers citrus tariffs

'I'm a farmer in Citrusdal; we are panicking, this is our livelihood. It's been the lifeline of a small town like Citrusdal of 15 000 people,' says Gerrit van der Merwe, chair of the Citrus Growers Association.

By **Jeremy Maggs** · 26 Mar 2025 16:14


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**JEREMY MAGGS:** South Africa's citrus industry, it really is one of the crown jewels of our agricultural exports, is facing a major threat, as you would've heard. The United States is considering imposing steep tariffs on South African citrus over the ongoing bitter trade dispute. If it goes through, tens of thousands of local farm jobs could be on the line, I understand.

For an industry that contributes billions to the economy and supports many rural households, this is no small issue. So what's behind this looming trade war? What does it really mean for South African workers, exporters and rural economies?

I'm in conversation now with Gerrit van der Merwe, who is chair of the Citrus Growers Association. Mr van der Merwe, a warm welcome to you. Let's dive straight in and look at the economic impact. If these tariffs go ahead, what are the numbers look like and who is likely then to be hit hardest?

**GERRIT VAN DER MERWE:** At the moment for the South African industry being the second biggest exporter in the world, 9% of our product goes to North America at the moment. It doesn't sound like a lot, but for areas like the Western Cape, small towns like Citrusdal, it is their livelihood.

> **From our estimations, we calculate probably about 35 000 jobs will be affected in South Africa, but also about 25 000 jobs will be indirectly affected in the USA side because it's been an industry that's been going for about 20 years.**

So thus, you've got supply chains, you've got truckers, you've got everyone on that side involved as well.

So yes, people will call it margins, people will call it 1% or 2% of the GDP, but it's 100% of the economy of a small town like Citrusdal. So yes, the impact will be big, although it will be isolated.

**JEREMY MAGGS:** You have been meeting with government. What is the industry asking for, if anything? And what have you been told or what have you been given?

**GERRIT VAN DER MERWE:** We've actually started asking what is the strategy? Are we going to Brics [Brazil, Russia, India, China, South Africa]? Are we moving away from the USA? Are we going to start building relationships back into the USA and see if we can at least defend Agoa [African Growth and Opportunity Act] or come up with a new trade agreement after Agoa expires at the end of the year and it doesn't get renewed.

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So our question is what is the strategy? And if so, we have to go more to the east to China and India, we probably have to ask, but then we need to get away with import tariffs because India is charging us around 40%. China is also on the high side.

We have a lot of import tariffs [when] running into the east, although it's Brics. The only free trade agreements we have are Europe, Canada and the USA. So it puts us on the back foot competing with countries like Chile, Peru and Australia, which all have very good free trade agreements going into the Far East.

**JEREMY MAGGS:** Are you satisfied so far with the response that you've received?

**GERRIT VAN DER MERWE:** I'm a farmer, we're never satisfied [chuckle]. I think we in Citrusdal, I'm a farmer in Citrusdal, we are panicking, this is our livelihood. It's been the lifeline of a small town like Citrusdal of 15 000 people, Clan William, 10 000 people, and all other small towns.

> **Although only 25% of our fruit goes to the USA, it's the best 25% and that's where our margins come from and we actually prepare**

> **our crops for the USA, which is a lot more expensive. So it's a knock-on effect and you can't just replace a market. We've been developing into that market for about 20 years.**

We ourselves as ALG [Estates], have got an import company based in Florida. We've got relationships going back 18 years with a company like Whole Foods. So you can't just say, let's pack up and go to China and it's going to be all the same. It's going to take time. There's going to be blood on the streets. Unfortunately, it's not just the farmer who's going to suffer; it's the farming community, and that's the biggest thing that worries me.

**JEREMY MAGGS:** In the past, do you think that South Africa has done enough risk planning in this respect and done enough to diversify its export market outside of the United States of America?

**GERRIT VAN DER MERWE:** No, I think let's start with we do have good market access to a lot of countries because with citrus being such a big commodity, we do have access to a lot of markets, but we don't have any bilaterals or free trade agreements. So it puts you on the back foot.

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You can start negotiating, going into a market, but if you're running into a 40% or 20% or 18% import tariff and your competition has got zero, you can't develop that market properly and you're always on the back foot.

So no, more should be done, Jeremy. I'm not sure if we can criticise but not enough has been done, but we can't just switch. It will take five to 10 years for us to switch properly to make sure we get proper market access, but also favourable trade agreements.

**JEREMY MAGGS:** The reality of the situation is you don't have five or 10 years, if I'm hearing you correctly.

**GERRIT VAN DER MERWE:** No, put yourself in a minimum wage, he [farmworkers] doesn't have two weeks to go without money. The government is boasting that they're putting 25 million people on government grants, I do think that's actually a bad thing because you want more people working and less people on grants and that's where your economy grows.

If we don't have the US market, a small town like Citrusdal is going to stop growing. I think that's one of our biggest things, economic growth in a small town like Citrusdal has been good. So crime has been low, everybody's got work to do, everyone's pulling in the right direction.

You stop that growth, you stop job creation and then it gets into political turmoil and then in five or 10 years you're sitting with a government that's not working or local government's not working.

So it's a real knock-on effect, not just now, but we've got to grow.

> **We've got 40% unemployment in South Africa, so we need wins, and the USA is a market that provides wins, it gives us opportunity to grow. We feel with the tactic now, it's completely going against what we've been doing for the last 20 years and our plans for the next 10 years.**

**JEREMY MAGGS:** Would the industry consider directly lobbying interest groups within the United States itself? Has that been put on the table?

**GERRIT VAN DER MERWE:** Ja, we do have a lobbyist in Washington we use, but a lot of these big negotiations, it's with the state, and that you can only do so much from a lobbyist influence, ask what you can do. But at the end of the day, the politics is run by [Donald] Trump and [Cyril] Ramaphosa, and it's got to be fixed there. We can't go from the bottom up to get there.

**JEREMY MAGGS:** Just finally, would you agree that this is also the beginning of more agricultural trade tension to come beyond the citrus industry? I would imagine that it's a broader sectoral issue and that there needs to be preparation for an increasingly protectionist world, such as we are seeing.

**GERRIT VAN DER MERWE:** I actually don't buy into that, Jeremy. You can argue the fact that tariffs stop outsourcing or factories and that's probably what President Trump is trying to stop. But you can't outsource out of season citrus like the Northern and the Southern Hemisphere. They don't have citrus come their summertime, which is our wintertime. So they can't do insourcing.

> **So what we've been doing is we've been keeping the cost low in the USA, we've been roughly selling at the same price in the USA for the last 20 years. Everybody's speaking about inflation and we're actually helping with inflation.**

So I would actually think yes, they can't outsource us or insource us for that matter and we are actually helping with inflation.

So importing out of season fruit is a net positive and I can't really see the downside of it. I can understand people trying to stop building a factory in Mexico and that factory needs to be in Texas. But I can't see you trying to insource out of season citrus because it's just not possible.

**JEREMY MAGGS:** I'm going to leave it there. Gerrit van der Merwe, thank you very much indeed, chair of the Citrus Growers Association. I appreciate your time.

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