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Adapting to a new global trade reality: South Africa's strategic response needed now

Agri SA has expressed serious concern over the recent imposition of a 30% tariff by the United States on South African exports. This development underscores the urgent need for South Africa to adopt comprehensive and strategic measures to safeguard its agricultural sector and diversify export markets amid evolving global trade dynamics.

While the US market, under the African Growth and Opportunity Act (AGOA), accounts for approximately 4% of South Africa's total agricultural exports (around US\$488 million in 2024), the impact of the tariffs on key commodities such as citrus, macadamia nuts, grapes, wine, ostrich leather, seed, and other fresh produce could have far-reaching consequences across the entire value chain.

South Africa's agriculture sector remains heavily export-dependent, with exports valued at US\$13.7 billion in 2024, supporting millions of livelihoods and rural communities.

“As we have stated in the past, while calls for market diversification are valid, supply chains cannot be redirected overnight and will take time to materialise. This highlights the immediate severe impact on regions and producers who are heavily reliant on the US market, said Johann Kotzé, Agri SA's Chief Executive Officer.

Strategic Response Measures

1. Enhance trade agreements and diplomacy

The Department of Trade, Industry, and Competition (DTIC), Department of Agriculture, and Department of International Relations and Cooperation (DIRCO) must urgently intensify efforts to negotiate exemption and quota arrangements with US authorities. Additional diplomatic resources and a pragmatic trade strategy are essential to mitigate immediate impacts.

2. Address Tariff and non-tariff barriers

South Africa must accelerate the development of comprehensive trade agreements, especially within the BRICS, ASEAN, and regional markets, to reduce tariff barriers and foster deeper economic integration. This will help South African products remain competitive globally.

3. Diversify export markets

Long-term strategies should focus on expanding South Africa's presence in growing markets beyond traditional trading partners. Increased engagement with African nations,



as well as ASEAN and BRICS economies, will reduce reliance on the US and mitigate geopolitical risks.

4. **Enhanced Negotiation Capacity**

South Africa's current trade negotiation team must be expanded and strengthened with skilled technical experts who can scan the global economic environment, analyse emerging opportunities, and provide insights that inform strategic negotiations across sectors.

5. **Building Human Capital and Expertise**

Given the complex shift in the trade landscape, investment in senior negotiators and sector-specific agricultural technical specialists is critical. The country's future competitiveness depends on having a well-resourced and knowledgeable team capable of navigating new trade realities.

Agri SA remains committed to collaborating with government, industry stakeholders, and international partners to navigate these challenges effectively. Proactive and coordinated efforts are essential to preserving the sustainability, competitiveness, and growth potential of South African agriculture.

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