

SA wine and citrus industries at risk following US tariffs

South Africa's agricultural sector faces major challenges following the US government's announcement of a 30% tariff on South African exports, effective 1 August 2025.



Source: NoName_13 via [Pixabay](#)

While the US market represents about 4% (approximately \$488m in 2024) of South Africa's total agricultural exports, the new tariff threatens high-value commodities and rural economies reliant on these markets.

"While calls for market diversification are valid, supply chains cannot be redirected overnight and it will take time to materialise," said Johan Kotze, AgriSA's chief executive officer. "This highlights the immediate severe impact on regions and producers who are heavily reliant on the US market."



TAXATION & REGULATION

Trump tariff bombshell: US-South Africa trade relations hit new low

8 Jul 2025

South Africa's agricultural exports totalled \$13.7bn in 2024. The sectors most at risk include citrus, macadamia nuts, grapes, subtropical fruits, wine, fruit juices, ostrich leather, and other fresh products.

Citrus industry at critical risk

The tariff coincides with the ongoing citrus season, which runs until October 2025. The 30% tariff will raise the cost per carton, threatening South Africa's market share against competitors such as China and Peru.

South Africa exports about 7 million cartons (approximately 100,000 tonnes) of citrus annually to the US, a key source of rural employment and economic stability.

Besides citrus, subtropical fruits, table grapes, avocados, blueberries, stone fruits, and macadamia nuts will also face significant pressure. With new hectares coming into production, medium- to long-term strategic planning is essential to protect these value chains.

Wine industry faces significant risk

The wine sector is set to suffer devastating effects. "The increase will eliminate profitability for many producers due to the high-cost increase across the supply chain," Kotze said.

This could result in job losses and threaten livelihoods in rural areas dependent on viticulture. Exploring new markets is vital, but shifting established export channels cannot happen quickly.

Ostrich leather exports to the US, accounting for 60% of shipments, also face increased costs, which could reduce demand and increase prices in the US market, affecting sectors like footwear.

Calls for strategic government response

AgriSA is urging urgent action from the Department of Trade, Industry and Competition (DTIC), the Department of Agriculture, and the Department of International Relations and Cooperation (DIRCO).

Kotze emphasises the need for "greater commitment, resource allocation and alignment on a pragmatic trade strategy for agriculture".

Addressing trade barriers

South Africa's lack of comprehensive trade agreements with key markets, such as ASEAN countries, reduces competitiveness. "These agreements facilitate trade by reducing tariffs and fostering economic integration.

"However, South Africa faces significant competition from countries that have already established comprehensive trade agreements," Kotze said. The absence of Economic Integration Agreements

(EIAs) and high tariff barriers in Brics and ASEAN markets exacerbate challenges.

Diversifying export markets

Over the medium to long term, AgriSA said diversifying export markets will be critical to mitigating risks from global geopolitical shifts. The organisation highlighted opportunities in expanding trade with African nations, ASEAN countries, and Brics economies.

AgriSA described the US tariff imposition as a "wake-up call" for South Africa's trade policy and agricultural sector. It said it remains committed to working with government bodies, industry players and international partners to safeguard the sector's future viability and growth.

For more, visit: <https://www.bizcommunity.com>

