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The U.S. recent tariff modification may be favourable for some agricultural industries

- The U.S. decision to [modify its reciprocal tariffs and exempt some food products](#) is a positive step towards easing agricultural trade friction, which is costly to both exporting countries and U.S. consumers. The exempted products include coffee and tea, fruit juices, cocoa, and spices, as well as avocados, bananas, coconuts, guavas, limes, oranges, mangoes, plantains, pineapples, various peppers and tomatoes, beef, and additional fertilisers. The U.S. government took this positive policy step in an effort to cushion U.S. consumers against higher prices resulting from the tariffs. In a way, this is a recognition that tariffs are a tax on consumers in importing countries, while also weighing on exporters. In our understanding, these products will no longer be covered under the Liberation Day Tariff levels, making access to the U.S. market much easier for various exporters.
- South Africa is an exporter of various agricultural products to the U.S., including citrus products, table grapes, macadamia nuts, wine, ostrich products, raisins and ice cream, among others. It appears that oranges, macadamia nuts and fruit juices will benefit from the exemption.¹ The U.S. accounts for approximately 4% of South Africa's agricultural exports, valued at U.S.\$13.7 billion in 2024.
- In the second quarter of 2025, South African agricultural exporters took advantage of the temporary tariff pause and front-loaded their products. This resulted in a 26% year-over-year increase in South Africa's agricultural exports to the U.S. in the second quarter, reaching U.S.\$161 million. There remain concerns that going forward, the higher tariffs will weigh on agricultural product exports, particularly those not covered in these modified rates, such as table grapes, raisins, ostrich products, and wine, among others. South Africa is entering the table grape export season, and access to the U.S. market remains a challenge due to higher tariffs compared to South African competitors.
- South Africa currently faces a 30% import tariff in the U.S. market, and if the country were to be in a position where the African Growth and Opportunity Act, which offers South Africa and other African countries lower duty access into the U.S., were not renewed, we would face slightly higher tariffs. South Africa would likely face around 33% tariffs if we also account for the [previous Most Favoured Nations Tariff rates](#) before the Liberation Day Tariffs. These would make access to the U.S. market more

¹ The annexure which we are still studying is here: <https://www.whitehouse.gov/wp-content/uploads/2025/11/annex.pdf>

challenging for various agricultural products, as competitors such as Chile and Peru, among others, face much lower tariff rates of around 10%, making them more price-competitive versus South Africa.

- Beyond these modifications, the South African government continues to negotiate for better tariff access in the U.S. market. However, these negotiations, as seen in many countries, are proving to be challenging. For example, the U.S. has imposed significantly higher tariff rates on several countries, including the EU and Japan, which face tariffs of between 15% and 20% even after the “new deals.” These higher tariffs illustrate that the path ahead will be challenging for South Africa as the country negotiates, still in the process of mending its foreign relations with the U.S. For the exporting industries, some level of concern remains.