

# Agoa extension could keep SA agriculture competitive in US market

A likely renewal of the African Growth and Opportunity Act (Agoa), with South Africa's continued inclusion, would help the country's agricultural sector maintain its competitiveness in the US market alongside other major agricultural exporters.

By [Wandile Sihlobo](#)

19 Aug 2026



Source: Tom Fisk via [Pexels](#)

The US Senate supports extending the African Growth and Opportunity Act (Agoa) for another two years. But the process is not yet final. There are further processes to be completed before the bill reaches the US president for his approval.

Positively for South Africa, it remains part of this process, and Agoa continues to benefit various sectors of its economy.

For South Africa's farming sector, the US market is important, accounting for just more than \$500m in exports a year, which is about 4% of total agricultural exports of about US\$15.1bn.

The figure may seem relatively small, and others have even argued that South African farmers must focus on China. But the US market remains critical for farmers and agribusinesses in certain value chains, particularly raisins, table grapes, citrus, nuts, and wine.

The desire to expand access to China and support it, especially under the zero-tariff access provisions of the China-Africa Partnership Agreement for Shared Prosperity, is understandable. But we must view the Chinese market as an addition to the group of countries that offer access to the South African markets, not a substitute for others. That is the posture that the South African farming sector and organised agriculture have maintained, and I think it's an important approach to these trade dynamics in the current geopolitical context. South Africans do not enjoy the luxury of choosing sides.

Other stakeholders have also questioned the benefit of Agoa in an environment where the US government has imposed tariffs on a range of goods from South Africa and other trading partners. This, again, is another important matter, but it is important that we all realise that the benefits remain quite tangible.

## Tariffs and Agoa

You see, without Agoa, South African products exported to the US would typically face an additional tariff of around 3% (depending on the product) on top of the new tariffs, which are at 12.5%, bringing the total to around 15.5%.

This would have placed South African agricultural products at a disadvantage compared to competitors in the American market, such as Chile and Peru. Because of the Agoa benefit, South Africa is now on equal footing with these countries in the US market, at 12.5%.

I must also say, though, that the US has decided to modify its tariffs and exempt some food products, thus easing agricultural trade friction, which is costly to both exporting countries and US 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.

*This piece was first published by [Daily Maverick](#) and is republished here with the author's permission.*

## ABOUT THE AUTHOR

Wandile Sihlobo is the Presidential Envoy on Agriculture and Land. He is also the chief economist of the Agricultural Business Chamber of South Africa and a senior research fellow in the Department of Agricultural Economics at Stellenbosch University.

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

