South Africa’s AGOA Exclusion and Implications for Agriculture and Joburg Market

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1. Introduction

On 2 November 2026, the Office of the United States Trade Representative (USTR) confirmed that President Donald Trump had notified Congress and the South African government of his intention to end South Africa’s eligibility for African Growth and Opportunity Act (AGOA) preferences from 1 January 2027. AGOA remains in place for eligible countries. South Africa’s notice sets out a prospective change to preferential tariff treatment for qualifying exports (USTR, 2026).

This paper starts with the status of AGOA and South Africa's eligibility, narrows to the agricultural industry, then to the national economy, the City of Johannesburg and, finally, the Joburg Market. Each level shows how a trade decision in Washington travels down to prices and livelihoods on the trading floor at City Deep.

2. The status of AGOA and South Africa's eligibility

AGOA lapsed on 30 September 2025 and was restored in February 2026, retroactively, until 31 December 2026 (Baker McKenzie, 2026). On 2 September 2026, the Continuing Appropriations and Extensions Act, 2027 extended the programme to December 2028, with no other changes (BusinessTech, 2026a). South Africa was not excluded from that law.

The US notice follows the annual review of eligibility. The USTR cited US concerns about barriers to trade and investment, corruption, and national security and foreign policy. The notified effective date is 1 January 2027 (USTR, 2026).

Minister of Trade, Industry and Competition Parks Tau said South Africa was prepared for the outcome and would continue engaging the United States while accelerating export diversification to protect jobs. Under its Butterfly Strategy, the government is pursuing opportunities across Africa, including through the African Continental Free Trade Area, as well as in India, the European Union, China and other markets. The Minister said new markets had already opened for South African citrus, avocados, grapes and apples (SAnews, 2026; SABC News, 2026).

AGOA's value must also be read against the wider tariff stack. Since 24 July 2026, most South African goods have faced a 12.5% US tariff under Section 301, imposed after a finding that South Africa's forced-labor import controls were inadequate (Daily Investor, 2026). AGOA only removes the most-favored-nation (MFN) duty; it does not exempt goods from the Section 301 charge (jlog, 2026). Exclusion would therefore add the MFN rate to the top of the 12.5%.

3. Implications for the agricultural industry

For affected agricultural products, losing AGOA preferences could raise US duties. The cited sector analysis puts the increase from 12.5% to about 15.9% as an indicative estimate. Actual rates depend on the product's tariff classification and applicable exemptions (Sihlobo, 2026a; Financial Mail, 2026).

Indicator	Value	Source
Total agricultural exports, 2025	US$15.1 billion (record)	BusinessTech (2026b)
Agricultural exports to the US, 2025	US$504 million (down 3%)	BusinessTech (2026b)
US share of agricultural exports	About 4%	Daily Investor (2026)
Western Cape share of US-bound farm exports, 2018–2022	49%	FreshPlaza (2025)
Jobs linked to US citrus exports	About 35,000	Daily Maverick (2025)

The national exposure is small, but it is concentrated. US-bound exports are mainly citrus, table grapes, raisins, nuts, wine, fruit juices and ostrich products (Sihlobo, 2026b). The burden would fall on Western Cape and Northern Cape producers and on towns such as Citrusdal, where the Citrus Growers Association links tens of thousands of jobs to the US market (Daily Maverick, 2025). The sharper threat is competition: Chile and Peru supply the same US season with shorter transit times.

The sector has shown resilience. In 2025 it faced tariffs of around 30% for much of the year and still lost only 3% of US export value (Financial Mail, 2026). It has also diversified: other African countries took 40% of agricultural exports in the second quarter of 2026, and new markets such as South Korea for table grapes have opened (FreshPlaza, 2026; BusinessTech, 2026b). Exclusion would therefore be painful for specific value chains rather than catastrophic for the sector.

4. Implications for South Africa

Nationally, the loss of preferences also matters for manufacturing, especially vehicle and component supply chains in Gauteng and the Eastern Cape. The South African government reported that about 89% of exports to the US entered under ordinary most-favoured-nation terms in 2025. Around 10%, worth about US$1.7 billion, entered under AGOA, so the direct tariff effect is concentrated in the products that used the preference (SABC News, 2026; Reuters, 2026b).

South Africa is also the programme's largest user, accounting for 47% of US imports under AGOA in 2024 (The Common Sense, 2026). Exclusion would therefore carry a signalling cost beyond tariffs. It would confirm a deteriorating bilateral relationship, linked

by US officials to land, empowerment and foreign policy disputes (Wansom, 2026). The likely effects include weaker investor sentiment, pressure on the rand, and more difficult negotiations on a separate reciprocal tariff agreement.

5. Implications for the City of Johannesburg

Johannesburg would be affected indirectly rather than through its own exports, first through its role as a logistics and services hub. Export cargo moves through the City Deep inland port and Gauteng's road freight corridors, so lower US-bound volumes, especially of vehicles and components, would reduce throughput and freight employment. At the same time, the agribusinesses, banks, insurers and freight forwarders that serve exporters are concentrated in the city, and their revenue and risk exposure would rise with tariff uncertainty.

The city would also feel the effects through households. Job losses at Gauteng component suppliers and in transport would reduce spending power in the metro, including in townships where informal trade depends on local demand. On the other hand, fruit diverted from export markets would add supply to local markets, temporarily lowering prices for Johannesburg consumers (section 6). The net effect on the city is mixed: modest losses through industry and logistics, partly offset by short-term relief on fruit prices.

5.1 Johannesburg's agricultural and agro-processing trade with the United States, 1996 and 2024

IHS data on Johannesburg's trade with the United States show how little of the city's direct exposure to AGOA lies in agriculture. Tables 5.1 and 5.2 compare 1996 with 2024 by sector. Values are in nominal rand, and percentages are shares of the city's total exports to, or imports from, the US.

Table 5.1: Exports from Johannesburg to the United States by sector, 1996 and 2024

Sector	1996		2024	
	R million	% share	R million	% share
Mining of metal ores	1 073.1	37.2	36 545.1	61.4
Fuel, petroleum, chemical and rubber products	223.0	7.7	8 693.9	14.6
Metal products, machinery and household appliances	1 083.3	37.5	6 791.2	11.4
Furniture and other items NEC and recycling	171.0	5.9	4 007.9	6.7
Food, beverages and tobacco products	**9.3**	**0.3**	**861.7**	**1.4**
Electronic, sound/vision, medical and other appliances	24.3	0.8	665.2	1.1
Transport equipment	126.1	4.4	474.5	0.8
Wood and wood products	30.8	1.1	487.6	0.8
Other mining and quarrying	64.7	2.2	383.5	0.6
Electrical machinery and apparatus	6.6	0.2	232.7	0.4
Agriculture and hunting	**12.8**	**0.4**	**125.5**	**0.2**
Mining of coal and lignite	10.8	0.4	128.5	0.2
Other non-metallic mineral products	7.2	0.2	62.0	0.1

Notes: Values in nominal rand. Shares are of Johannesburg's total exports to the United States; smaller sectors are not shown, so shares do not sum to 100%. Rows in bold are agriculture and agro-processing.
Source: IHS data

Exports

Agriculture and hunting is a marginal export. Its value rose from R12.8 million in 1996 to R125.5 million in 2024, but its share of the city's US-bound exports halved, from 0.4% to 0.2%, because total exports grew much faster, led by metal ores (61.4% of the total in 2024). Agro-processing has grown more strongly: exports of food, beverages and tobacco rose from R9.3 million (0.3%) to R861.7 million (1.4%). Together, the two categories made up about 1.7% of Johannesburg's exports to the US in 2024. This matches the national picture in section 3, where US-bound farm exports come mainly from Western Cape and Northern Cape producers rather than from the metro.

Table 5.2: Imports into Johannesburg from the United States by sector, 1996 and 2024

Sector	1996		2024	
	R million	% share	R million	% share
Fuel, petroleum, chemical and rubber products	956.9	14.0	13 306.2	36.8
Metal products, machinery and household appliances	2 143.6	31.5	9 223.6	25.5
Electronic, sound/vision, medical and other appliances	896.5	13.2	5 206.9	14.4
Transport equipment	672.1	9.9	2 249.5	6.2
Other mining and quarrying	103.6	1.5	1 710.4	4.7
Electrical machinery and apparatus	321.1	4.7	1 283.6	3.5
Food, beverages and tobacco products	**452.2**	**6.6**	**851.6**	**2.4**
Wood and wood products	402.5	5.9	860.1	2.4
Furniture and other items NEC and recycling	185.9	2.7	795.1	2.2
Agriculture and hunting	**462.3**	**6.8**	**337.7**	**0.9**
Other non-metallic mineral products	51.2	0.8	198.3	0.5
Textiles, clothing and leather goods	119.3	1.8	99.2	0.3
Forestry and logging	6.1	0.1	19.5	0.1

Notes: Values in nominal rand. Shares are of Johannesburg's total imports from the United States; smaller sectors are not shown, so shares do not sum to 100%. Rows in bold are agriculture and agro-processing.
Source: IHS data

Imports

On the import side, agriculture has lost ground in both value and share. Imports of agriculture and hunting products from the US fell from R462.4 million (6.8% of imports) in 1996 to R337.7 million (0.9%) in 2024. Food, beverage and tobacco imports almost doubled in value, to R851.6 million, but their share fell from 6.6% to 2.4% as imports of fuel, chemicals and machinery grew. The data do not show why agricultural imports declined; local production or other suppliers may have replaced US produce, but this would need further evidence.

Implications of AGOA exclusion

Johannesburg's direct agricultural exposure to AGOA is therefore small. At most, about R1 billion of the city's US-bound agricultural and agro-processing exports would be at risk, and less in practice, since only products entering under AGOA preferences would face higher duties. Agro-processors are the group to watch, as their US sales have grown fastest. Otherwise, the metro would feel exclusion mainly through the indirect channels set out above (logistics, services and household income) and through fruit diverted to Joburg Market (section 6), rather than through a loss of its own farm exports. This reflects the city's role as a service, logistics and processing hub rather than a farming region.

6. Implications for Joburg Market

Joburg Market is where the effects of exclusion would become visible as prices. It is the largest fresh produce market in Africa: it sold about 1.4 million tonnes in its last reported financial year, handles roughly 46% of national fresh produce market volume, and serves thousands of farmers and about 14,000 buyers a day (Sunday Times, 2024). Its prices act as the national reference point, and research shows that movements in Johannesburg spread to Durban, Cape Town, Bloemfontein and Tshwane (Food For Mzansi, 2026).

The main channel is diversion of export fruit. Where producers can secure buyers and meet the entry requirements in alternative markets, they can redirect some shipments abroad. Any remaining surplus could reach Joburg Market at City Deep, putting downward pressure on wholesale prices if arrivals increase during peak citrus and grape seasons (AgriFocus Africa, 2023; SAnews, 2026).

Stakeholder	Likely effect
Farmers supplying the market	Lower prices for oranges, soft citrus and grapes in peak months; margins squeezed for growers already absorbing US tariffs
Buyers, informal traders and households	Cheaper fruit for a period; better margins for hawkers and spaza shops buying at the market
Market agents and Joburg Market	Income is a commission on turnover, so higher volumes at lower prices may roughly cancel out; added strain on cold storage that has already caused multi-million rand losses (Food Business MEA, n.d.)
National price formation	Lower Joburg prices would pass to other markets, spreading the effect beyond Gauteng
Market strategy	The market has lost share of national produce to retail and exports and aims to win it back (FreshPlaza, n.d.); diverted fruit could help if facilities cope

7. Conclusion

Moving down the funnel, the impact of AGOA exclusion narrows and becomes more indirect. For agriculture it would be manageable, given the small US share of exports and the sector's proven resilience to higher tariffs, but it would be painful for Western Cape citrus and grape communities. The national economy would face more serious effects through the motor industry and the wider US relationship. For Johannesburg and Joburg Market the impact would be second order: seasonal downward pressure on fruit prices, gains for buyers and informal traders, and squeezed margins for farmers.

Ahead of 1 January 2027, Joburg Market should work with market agents and suppliers to monitor weekly arrivals and wholesale prices for citrus and table grapes by grade, alongside cold-storage occupancy. Comparing these measures with the same weeks in previous seasons would help distinguish normal seasonal changes from unusual volumes and price movements. The City can use the findings to identify handling constraints and direct affected exporters to dtic support.

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