Trade & Economic Outlook - Navigating a Changing International Environment

Wolfe Braude – Manager: Agbiz Fruit

4th SA Conference on Essential & Vegetable Oils

Rosemary Hill - Pretoria
22 July 2026

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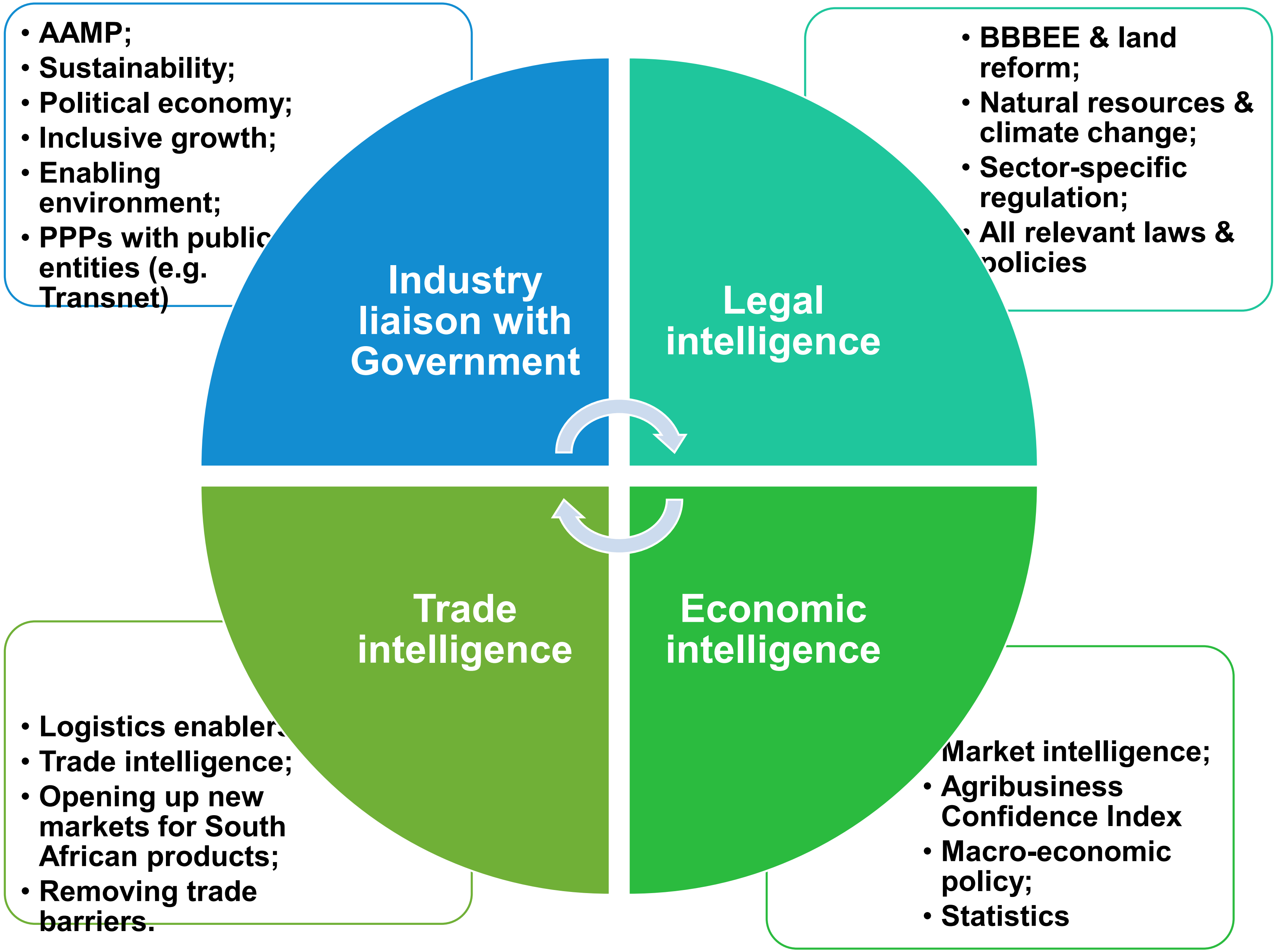
Who we are

- Established 1947 as the Cooperatives Council
- **Apex body representing approximately 80 companies & 20 industry associations in the agricultural value chain**
- Mandate to represent industry & advocate for an enabling environment
- Promote agribusinesses in South Africa and abroad
- Grain & Fruit Desks.



Agbiz Members

Finance

absa, WIPHOLD 30, FNB, Land Bank 1912 - 2012, Standard Bank, IDC, Nedbank

Agribusinesses / Co-ops

vkb, AFGRI, KOUP PRODUSENTE KOOP BPK, NWK, TWK agri, BKB, vilko, OVK, Top Lay, OBARO, KAL Group, KLK, Senwes, CKI Cape Karoo International, SSK, FKB, Overberg, Sutherlandse Landboukoop BPK, Silostrat

Mechanisation

Case IH Agriculture, John Deere Financial, Netafim, Rovic

Inputs

SAAHA, Syngenta, CropLife, Corteva agriscience, Bayer, Sansor, Loskop ICT, Engen, Omnia, BASF, Fertasa, Johan vd Westhuizen & Seuns

Commodities & Producers

Raisins South Africa, RMIS, Sernick Group, Abagold, Potatoes SA / Aartappels SA, SA Canegrowers, sappo, SAMAC, Citrus Growers' Association, Schoeman, SAFJA, Mahela, RPO, South Africa Wine, GSA Grain | Graan, Berries ZA, Hortgro, mouton citrus, KomatiGroup, mpo, SATI, South African Poultry Association, Sparta, SA Feedlot Association, SRCC, subtrop

Agro processing

Pet Food Industry, east london idz, Beefmaster, AFMA, Tiger Brands, PepsiCo, BAT South Africa

Marketing

World Wharf, Ukhanyo Grains, two-a-day, Durban Fresh Produce Market, Cape Wools SA, unifrutti, Farmwise grains, Capespan Group Limited, westfalia fruit, fpef Fresh Produce Exporters' Forum, National Agricultural Marketing Council

Service providers

pwc, Peritum, Agri Seker, EY, FarmSol, Santam agriculture, Signium, agrifusion, Signa, Afrivet, CSIR, Alpha, Old Mutual Insure Agri, King Price Insurance

A time of change

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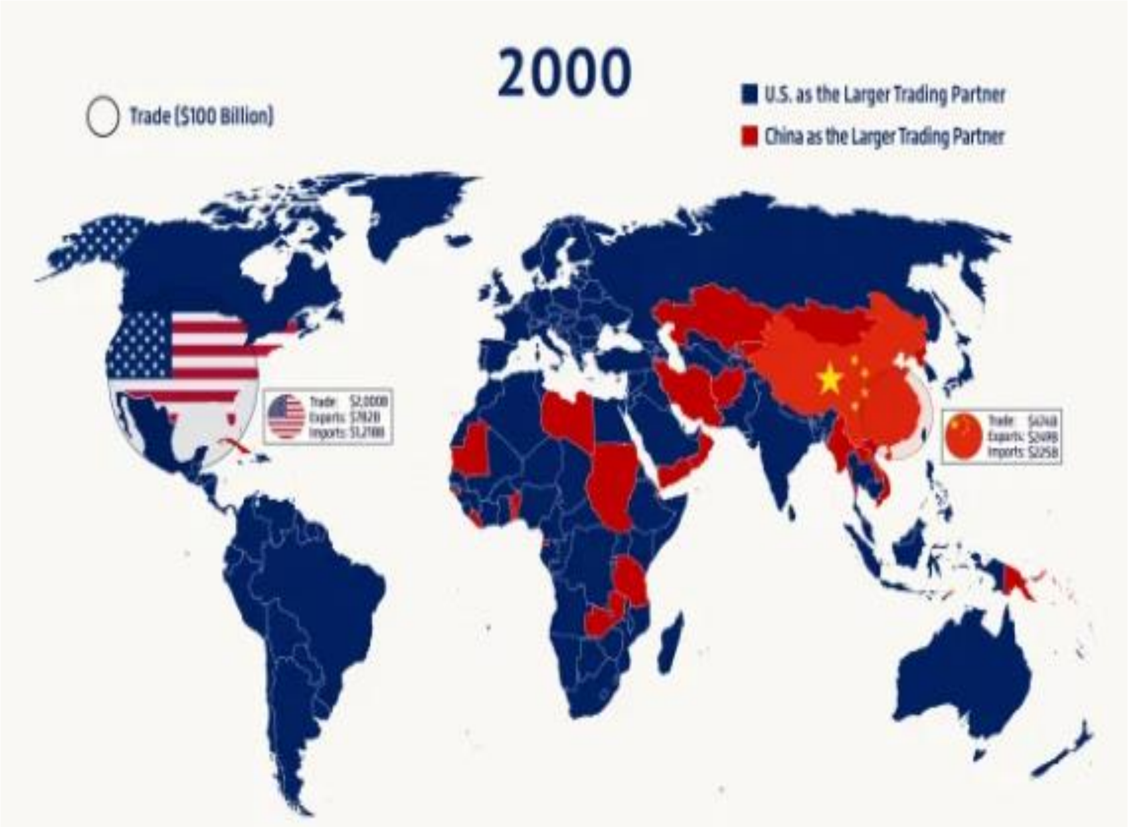
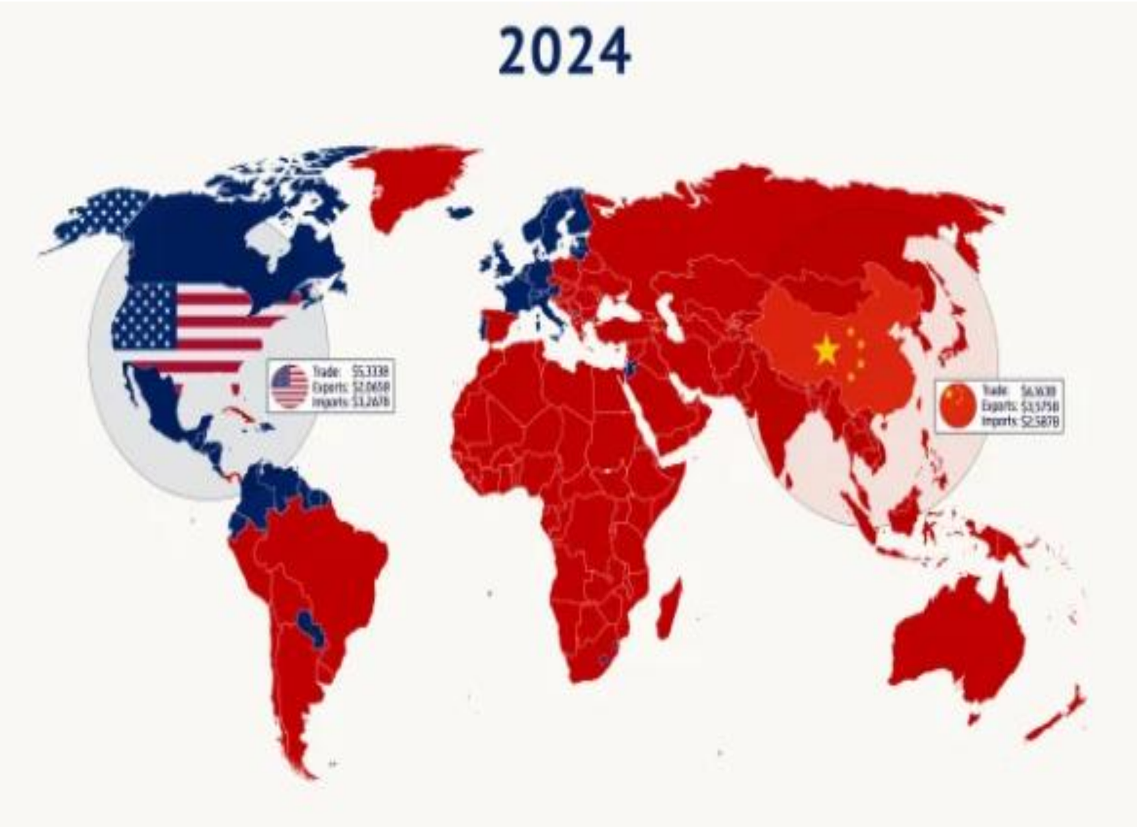
China vs US as largest trade partner for global markets, 2000 vs 2024

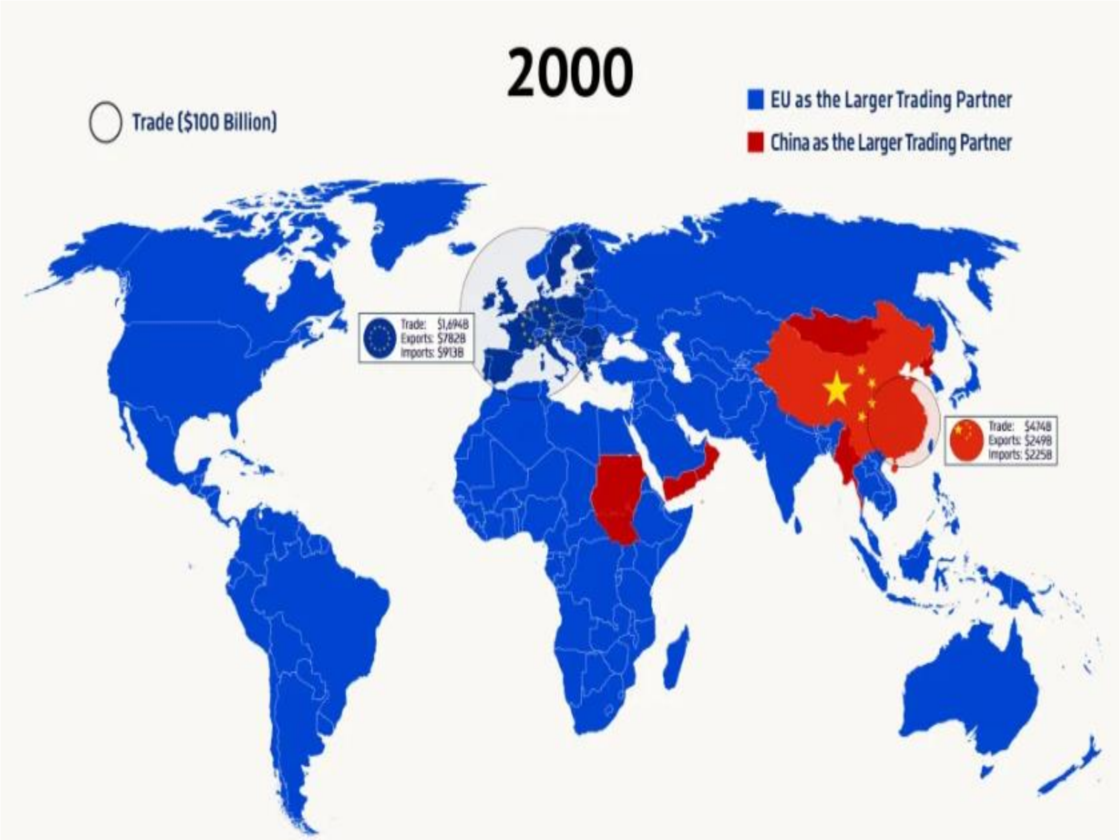


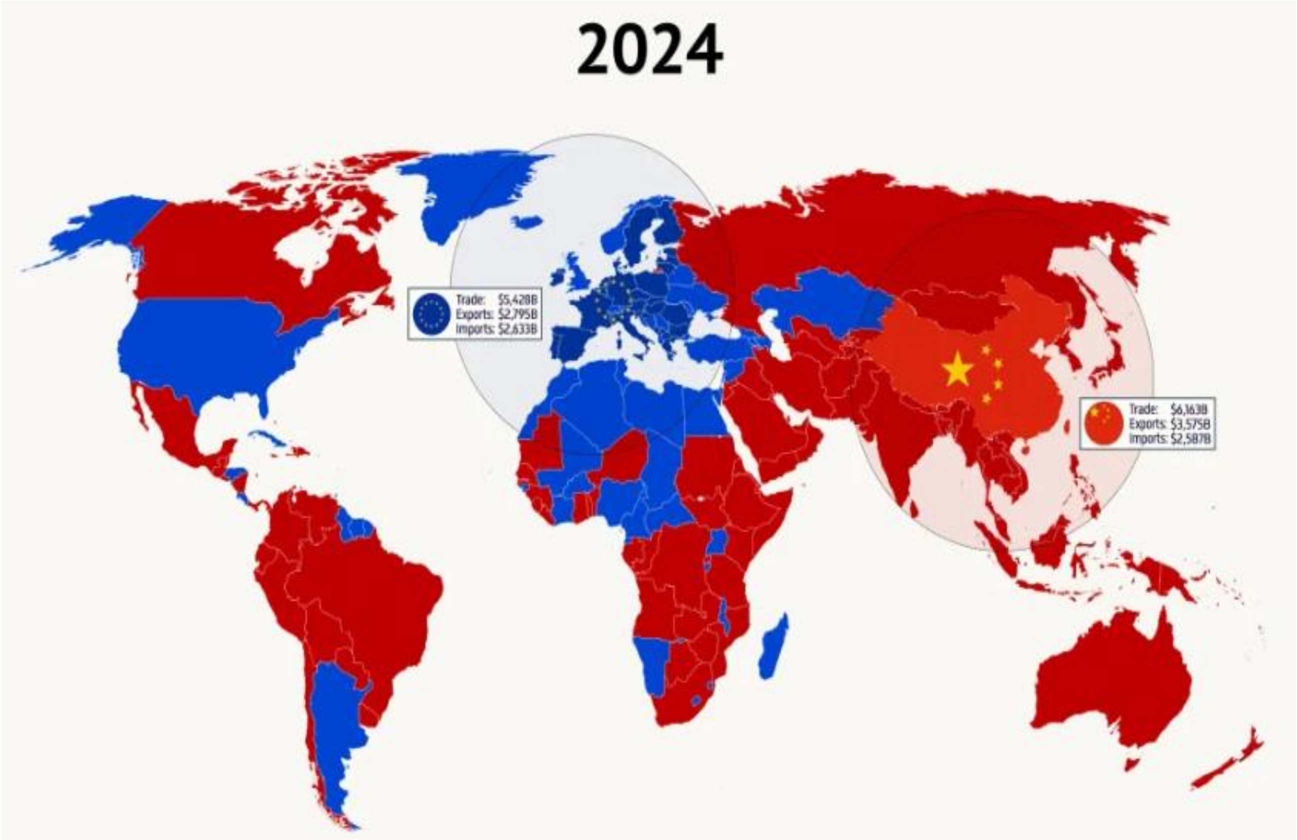


China is now the dominant trade partner for most of Asia, Eastern Europe, the Middle East, Oceania, South America, and Africa, with a total of US$6.2tn worth of trade vs US's S$5.3tn

Source: https://www.voronoiapp.com/

EU vs China as largest trade partner for global markets, 2000 vs 2024

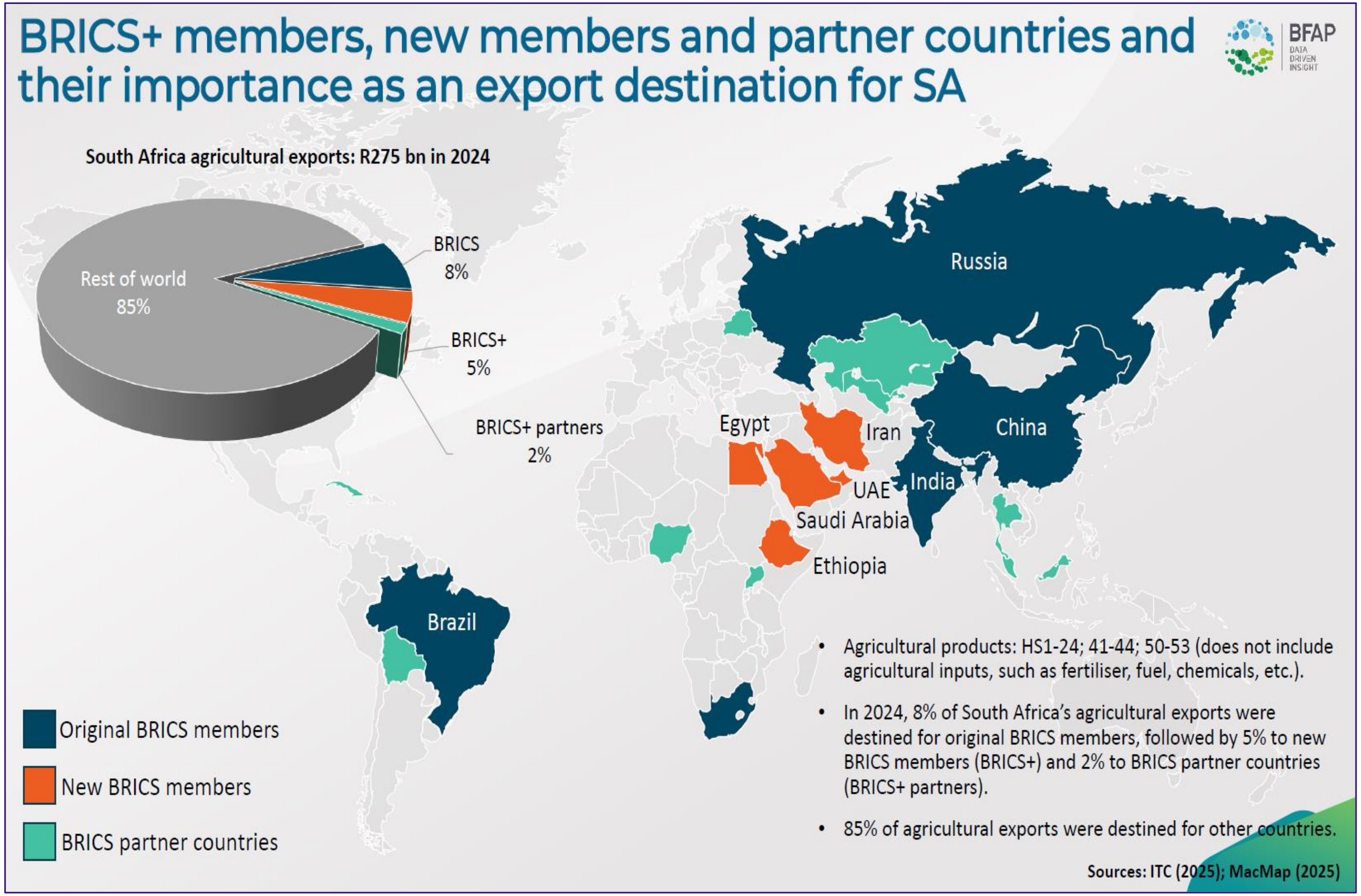




From 2000 to 2024, EU total goods trade (exports + imports) grew from $1.69 trillion to $5.43 trillion (4.1% CAGR). China total - $4.74 billion to $6.16 trillion for China (11.3% CAGR).

Source: https://www.voronoiapp.com/

SA trade with BRICS grouping



BRICS founders: 8%

BRICS+: 3%

BRICS+ partners: 2%

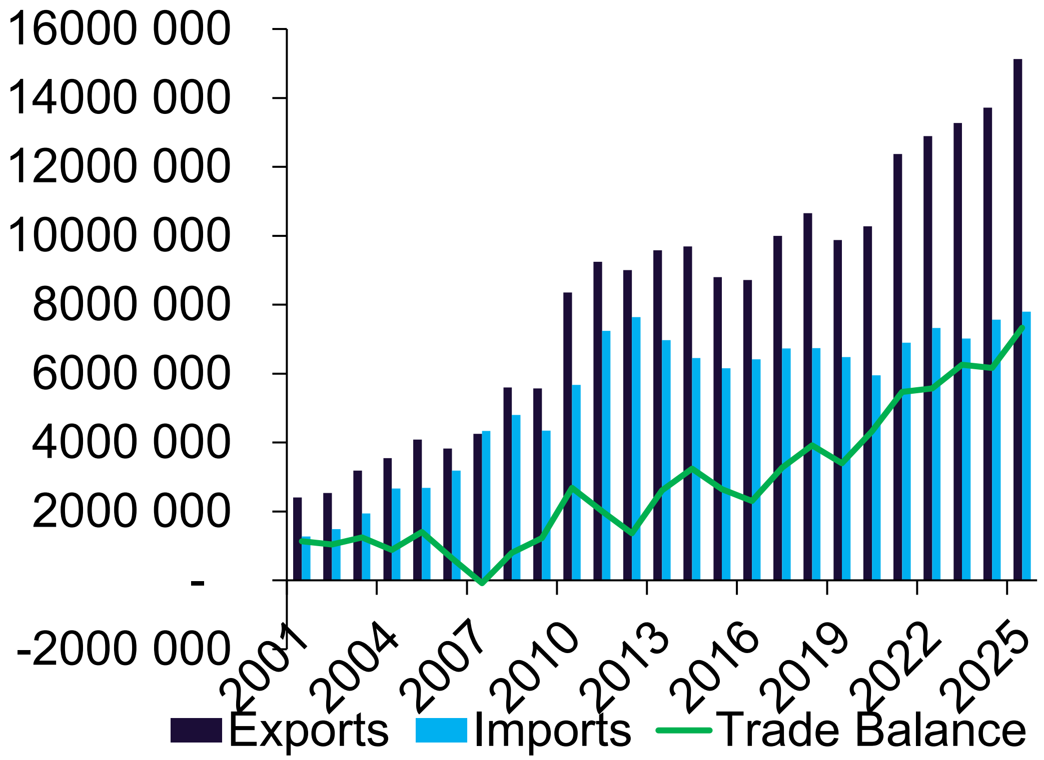
= 13% share of SA trade

BRICS+
Egypt, Ethiopia, UAE, Iran, Indonesia.

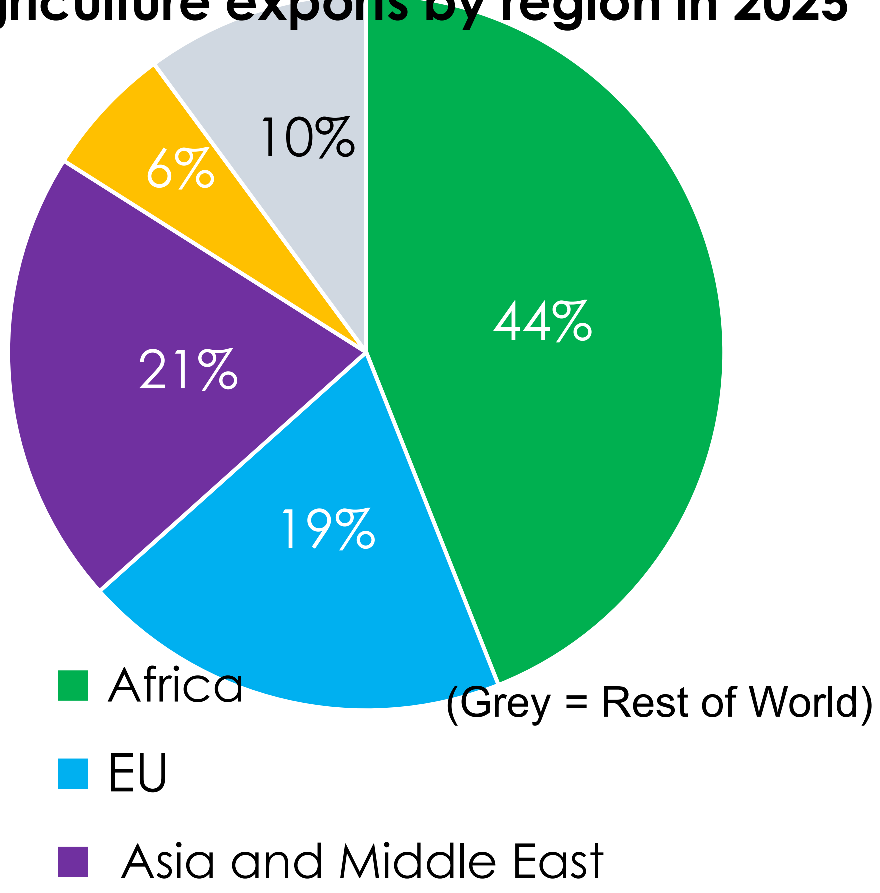
Partners
Belarus, Bolivia, Cuba Kazakhstan,, Malaysia, Thailand, Uganda, Uzbekistan & Nigeria.

Unlocking new markets fundamental to ensure continuous export growth

SA's agriculture exports in 2025, USD



SA's agriculture exports by region in 2025



Essential & niche veg oils all exhibit trade surpluses. World imports are all positive as well. (TradeMap)

Source: Trade Map and Agbiz Research

Commodity trade highlights – 2025 (TradeMap)

- World's 11th largest peaches (incl nectarines) exporter
- 9th largest apricots exporter
- 4th largest pear exporter
- 5th largest apple exporter,
- 4th largest plums & sloes exporter
- Worlds largest macadamia nut producer & exporter
- World largest Maize meal exporter

Other Commodities

- Largest / exclusive buchu oil exporter
- Within top 5 globally for luxury cosmetic grade Cape Chamomile oil
- Within top 5 globally by olfactory preference for Rose Geranium oil
- Within top 15 for citrus oils
- Within top 10 for eucalyptus oil
- Within top 10 for tea tree oil
- 3rd largest for marula oil
- Within top 5 for baobab oil

Comparative Export Values - 2024

- **Total SA agri exports in 2024 ($13.7bln) were:**
    - nearly 2 x iron ore export value,
    - Nearly 3 x chromium ore, 2.6 x ferrochrome export value
    - 2.7 x SA's iron & steel exports value
    - 1.7 x SA's machinery (HS84 & HS85) exports value
    - Slightly larger than autos & auto components export value
- Fruit sector exports alone = close to SA's ferrochrome exports, larger than manganese exports.

A time of choices

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Emerging diversification: US / China / India / AfCFTA / BRICS+ / New partners

Unilateral trade liberalisation & trade re-orientation

- America First / MAGA doctrine: most profound re-ordering of global trade since creation of WTO. But **unilateral**, not multilateral. Outside of WTO.
- **US pursuing both unilateral market access and tariff revenue**
- Trade deflection – i.e. waves of ex-US bound exports in search of markets
- Significant damage to standing of WTO rules/commitments and efforts to reform WTO if it becomes entrenched

Revision of SA's Trade & Economic Policy Strategies

- Review of SA trade policy via NEDLAC. **Agbiz** sits on NEDLAC trade Committee & EconPol Committee.
- Economic Diplomacy to now encompass Trade and International Relations.
- **Agbiz** CEO is current Convenor of NEDLAC Trade & Industry Chamber.

The MFN lose-lose flaw in the US tariff deals?

- US deals are not yet FTAs or PTAs.
- Any tariff concessions may need to be MFN reductions?
- All WTO members will then benefit.

SA’s push for diversification

DTIC’s push for diversification

1. **Revisit existing agreements**
   - SACU, EFTA, MERCOSUR, UK EPA, EU EPA
2. **Push for agreements with new partners**
   - India? Singapore? UAE? Canada? Indonesia?
3. **Trade missions by dtic/DoA**

   2025: Japan, Saudi Arabia, India, Switzerland, Indonesia, Vietnam, Malaysia, Turkey
4. **Finalise AfCFTA negotiations, accelerate implementation.**

   Agbiz to sit on National Implementation Committee
5. **Proposed by Agbiz & BUSA – need to recapitalise state’s trade machinery:**

Expand staff for negotiation, trade promotion, trade facilitation, embassy marketing, plant & animal health SPS protocols, & tariff processes (ITAC).

- **Significant potential export opportunities:**
  - **China** – SA supplies only 0,5% of agri import market of over $200bln
  - **Saudi Arabia** - SA supplies less than 1% of agri import market of $30bln
  - **UAE** - SA supplies 2% of agri import market of $23bln
  - **Vietnam** - SA supplies less than 0.3% of agri import market of $32bln

Agbiz trade sectoral arrangement initiative

Agri Value Chain Partial Sectoral Agreements Study

- **Agbiz** proposal to dtic: Agricultural Sector Value Chain sectoral agreements with selected trading partners as alternative pathway.

- Avoids deadlocks & risks for textiles, manufacturing and other sensitive sectors
- 'Proof of concept' – research to model effects of such an arrangement with markets such as **China, India, South Korea, Vietnam, Thailand.**

- **Essential and niche Vegetable Oils included in analysis as part of agro-processed products component**
- STATUS**:** study underway, Final Report due end-July 2026

Conflicts –
Ukraine-Russia
US-Iran

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Impacts - Diesel

- **Fuel comprises about 15% on average of input costs in SA agri. Fertilizer about 35%.** The two wars have led to price increases in both.

Diesel – extensively utilised by agri sector for planting, harvesting and transport

- **Russian diesel exports now banned** by state due to Ukrainian drone strike damage. A third of refining capacity offline. Russia exported 12% of global trade to Africa, Turkey, Brazil.
- **US, G7, EU price cap** on Russian petroleum products. Diesel traded outside the price cap is subject to targeted shipping and financial sanctions.
- Middle Eastern diesel and gasoil exports have dropped substantially due to Strait of Hormuz conflict cycles.
- **Higher shipping costs** for exporters too: maritime oil price and route disruptions, insurance costs. Shippers are risk adverse. Uncertainty.
- Global **national reserves of oil and oil products running at historic lows**. Must be restocked. May lead to continued price pressure. But usage has dropped too.
- US supply, Chinese use of reserves, and supressed demand have restrained prices so far.

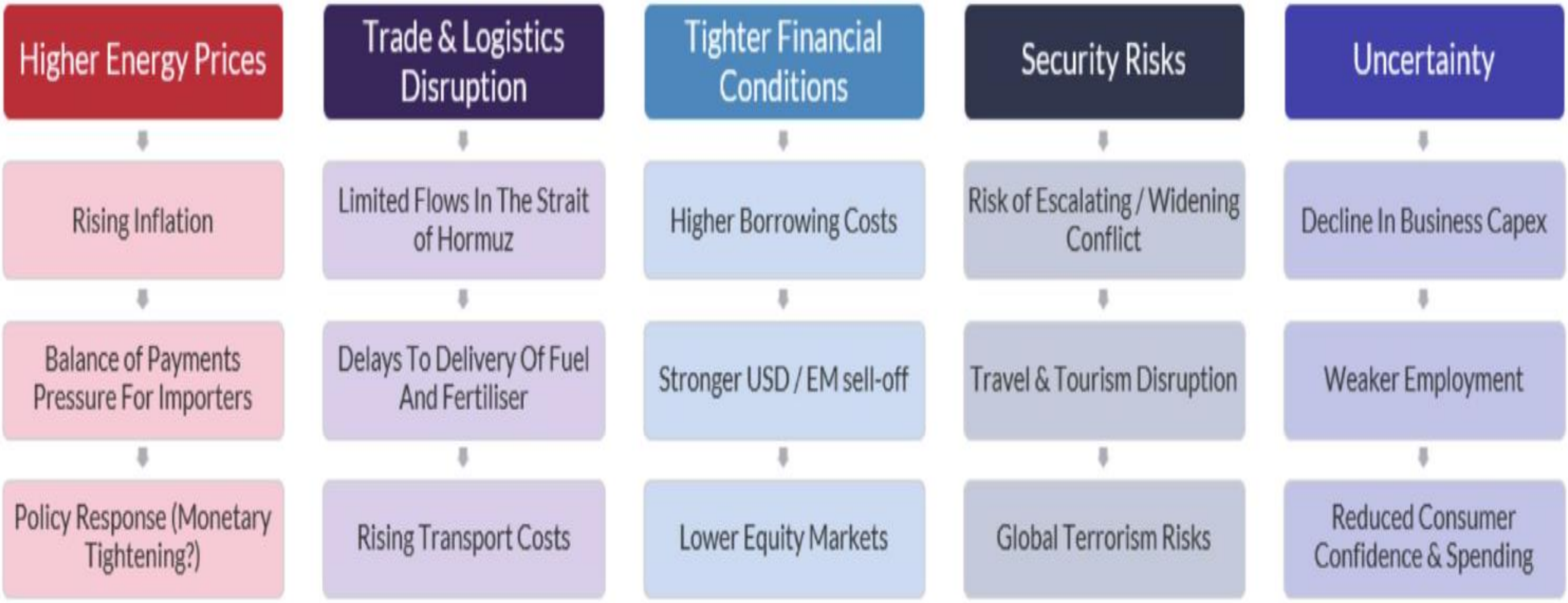
Impacts - Fertiliser

- South Africa **imports more than 80% of its fertilizer raw materials** and finished products.
- Domestic fertiliser prices in SA have **jumped by as much as 40% to 50% year-on-year.**
- **Fertiliser in constant demand** in SA and globally by various commodities. Summer planting season in SA starts mid-October. Purchasing underway.
- **Supply concentration** remains the core vulnerability: Persian Gulf countries account for:
    - about 35% of global urea exports, 20% of ammonia exports, 25% of diammonium phosphate exports and 40% of sulphur exports.

o Key exporters like Russia, China, Turkey, Egypt have also introduced **export restrictions**

- **Impact may only be visible globally in 2027** as lower plantings & yields become evident.
- For now – SA food inflation running at only 1,6%, but CPI at 5% due to fuel. Good harvests in grains and horticulture, and higher animal slaughter rates have helped keep food inflation lower.

US-Iran conflict and transmission to global economy



Source: IMF and Agbiz Research

Status of SA's trade negotiations

China

India

USA

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Africa – China Development Economic Partnership Agreement (CADEPA)

- **Early Harvest Agreement** offer. To accelerate market access while negotiations occur under the CADEPA Trade Module. SACU & China negotiating tariff offers
- **Agri products and processed automatically regarded as RoO compliant.**
- **Agbiz** and the DoA's Agricultural Trade Forum have been working via BUSA and NEDLAC to provide inputs as required and share info with Members.

2nd track - 1st May unilateral offer to all African countries (excl eSwatini)

- **SA & China govts confirm SA exporters have immediate 100% tariff free access from 1 May, but links between Early Harvest and 1st May offers under negotiation**
- **It is a parallel, unilateral market access track, valid for only 2 years. Gives SA two years to land a binding trade deal.**
- Interim customs arrangements now almost finalised – **Agbiz** working with dtic, SARS, industry bodies on relevant issues

Africa – China Development Economic Partnership Agreement (CADEPA), cont.

Key issues

- Focus now on 'Early Harvest Agreement' & exchanges of tariff offers. Four Modules: **Trade**, Inclusive Growth, Supply Chains, and Modernised Development (digital trade).
- Must have **reciprocity** to be WTO compliant.
- However, need not be fully reciprocal, i.e. SACU must offer tariff reduction but need not be equal to China's; this is allowed under WTO due to differences in development
- Exact timeline uncertain, active negotiations underway
- Risks to other SA economic sectors higher than for primary & processed agriculture.

South Africa – India PTA?

- Revival & reset of PTA negotiations that began in 2007
- 95% of trade between SACU & India is between SA & Ind
- Draft ToR for negotiations being negotiated. Precursor to possible actual negotiations.
- India would like to negotiate comprehensive access, i.e. a full PTA.
- Agri sector believes an **agri sectoral agreement** may be pragmatic starting point, with sensitive sectors excluded fo now.
- Will be necessary to address any risk of customs circumvention, as with China.
- ToR for negotiations being finalised between SACU & India.

SA agri exports to India (2025): $178 million.

Indian agri imports from world (2025): $41 billion.

AGOA - renewal & modernisation & SA eligibility

AGOA Re-authorised February 2026 by US Congress till end 2026

- SA still included.
- Called for re-examination of AGOA with emphasis on bilateral deals – ‘trade not aid’.
- **AGOA still holds value for SA.** Reduces overall tariff total. Places SA on level playing field with FTA competitors. Especially now that Supreme Court struck down reciprocal tariffs.
- Likely to be re-authorised again at end 2026, for longer period.
- Call for Comment on AGOA Modernisation – May 2026**. Agbiz submitted member comment to dtic via NEDLAC & to USTR.**
- **72% of SA agri exports go in under AGOA. New tariffs may reduce value again.**

AGOA
AFRICAN GROWTH
AND OPPORTUNITY ACT

US trade & tariffs, the prequel…

Timeline of events

30% tariffs on SA goods
- 9 Aug 2025

Certain agri products excluded
- 14 Nov 2025

AGOA extended until end 2026
- Feb 2026

Supreme Court nullifies tariffs
- 20 Feb 2026

Refunds now allowed for 30% tariffs ☺

New 10% tariffs under different Act
- 21 Feb 2026

Court of Intl Trade stuck down Section 122 (10%) tariffs May 2026. Administration appealed…

US trade & tariffs, current, et al...

Tariffs under Section 301 of Trade Act of 1974

- Investigation announced March 2026 into 60 countries into importation of goods made with forced labour. Report does not mention SAEOPA member Essential or Vegetable Oil products,.
- South Africa allocated 12,5% tariff.
- **Agbiz** made a public submission to USTR in advance of hearings.
- Decisions expected possibly this week or by end of July 2026!

Tariffs under Section 122 of Trade Act of 1974

- The Section 122 (10%) tariff expire 24 July 2026, unlikely to be renewed: under legal challenge, and Congress votes not guaranteed.

- **Other tariff actions**
- Section 338 of Tariff Act of 1930 – 50% threatened on selected Canadian exports. First use in over a century.
- Section 301 tariffs of 25% on Brazilian exports to the US

And finally, what a useful trading future could look like…

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Trade works best over a braai !

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