

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Utilization of AGOA for Agricultural Exports by South Africa

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Approved By:

Kyle Bonsu

Prepared By:

Wellington Sikuka

Report Highlights:

South Africa is the largest user of the African Growth and Opportunity Act (AGOA) for agricultural exports to the United States in the Southern African region. South Africa exported a total of US\$367 million in agricultural products to the United States in 2017, and a total of US\$238 million was under AGOA preferences. Although most agricultural products exported by South Africa are eligible for duty free access under AGOA, some importers and exporters have reportedly forgone the use of AGOA.

This report provides procedures for the utilization of AGOA.

Background

The African Growth and Opportunity Act (AGOA) is a United States Trade Act, signed into law on 18 May 2000 as Public Law 106 of the 200th Congress. In 2015, AGOA was authorized for an additional 10 years to 2025. The program allows for preferential duty-free access for eligible imported products into the U.S from qualifying Sub-Saharan African (SSA) countries. SSA countries qualify for AGOA preferences based on a set of conditions contained in the AGOA legislation (<https://agoa.info/about-agoa/country-eligibility.html>). In order to gain and retain eligibility, each country must be working to improve its rule of law, human rights, and respect for core labor standards, among other requirements.

List of Eligible Countries

Below is a list of AGOA eligible countries as at September 2018. AGOA applies to every country covered by the Foreign Agricultural Service (FAS) office in Southern Africa except Zimbabwe. FAS Southern Africa countries are in bold below.

Angola	Gabon	Mozambique
Benin	The Gambia	Namibia
Botswana	Ghana	Niger
Burkina Faso	Guinea	Nigeria
Cabo Verde	Guinea-Bissau	Rwanda
Cameroon	Kenya	Sao Tome & Principe
Central African Republic	Lesotho	Senegal
Chad	Liberia	Sierra Leone
Comoros	Madagascar	South Africa
Republic of Congo	Malawi	Tanzania
Cote d'Ivoire	Mali	Togo
Djibouti	Mauritania	Uganda
Eswatini (formerly Swaziland)	Mauritius	Zambia
Ethiopia		

Eligible Products

AGOA builds on the U.S Generalized System of Preferences (GSP) by offering duty-free (apart from textile articles) and quota free benefits to approximately 7,000 tariff lines, as long as the products meet the AGOA rule of origin requirements and are exported directly from a beneficiary country to the U.S. The list of eligible products can be accessed on the following link: <http://agoa.info/about-agoa/products.html>. The list of eligible products includes most of the agricultural products exported by South Africa including citrus, tree nuts, and wine.

Utilization of AGOA by South Africa

South Africa is the largest utilizer of AGOA for agricultural exports to the United States in the Southern African region. South Africa exported a total of US\$367 million in agricultural products to the United States in 2017, of that a total of US\$238 Million was under AGOA preferences. **Table 1** shows the total

agricultural exports by South Africa under AGOA and GSP. U.S imports of agricultural products per tariff line under AGOA and GSP are not publicly available.

Table 1: South Africa Agricultural, Forestry & Fisheries Exports to the United States

	2015	2016	2017
	US\$ Million	US\$ Million	US\$ Million
US Imports - AGOA	208	182	238
US Imports - GSP	45	54	47
US Imports - No Program	63	73	82
Total US Imports from SA	316	309	367

Source: <https://agoa.info/profiles/south-africa.html>

Citrus, wine and tree nuts are the top three agricultural products exported by South Africa to the United States and their total exports amounted to US\$158 Million in 2017. While these exports qualify for duty free access under AGOA, some South African wine exports are under GSP. Certain wine tariff lines, such as HS2204.21.50, are subject to a customs duty of 6.3c/liter under GSP. The majority of South African wine exports are shipped under AGOA. Between 72 – 91 percent of South African wine exports were under AGOA since 2011. The utilization of AGOA requires a coordinated effort by both the importer and exporter, and also requires the submission of additional documentation to claim AGOA preferences. As a result, some exporters and importers have reportedly forgone the use of AGOA.

Table 2: South Africa Wine Exports Under AGOA

	2011	2012	2013	2014	2015	2016	2017
	US\$ Million	US\$ Million	US\$ Million	US\$ Million	US\$ Million	US\$ Million	US\$ Million
US Wine Imports - AGOA	33	48	56	37	38	34	49
US Wine Imports - GSP & No Program	12	12	13	14	14	13	5
Total US Wine Imports from SA	45	60	69	51	52	47	54

Source: [United States International Trade Commission](https://www.usitc.gov/); Global Trade Atlas

Procedures for Utilizing AGOA

The steps below provide guidance on how to utilize AGOA for South African Exporters and United States Importers:

1. Determine if product is eligible for duty-free access to the U.S by searching the product on the following link, <https://hts.usitc.gov/>. Look through the Rates of Duty column to determine the applicable tariff. When you see the “D” Code in the tariff column you will know that it is an AGOA eligible product and it is duty free. Note that a product may not be AGOA eligible but still enter the U.S duty free via GSP.
2. Exporters intending to use AGOA in South Africa must be registered as a business with the South African Companies and Intellectual Property Commission (<http://www.cipc.co.za/>). Food

and agricultural exporters must also be registered with the U.S Food and Drug Administration (<https://www.fda.gov/>).

3. The exporter must obtain an AGOA Certificate of Origin from the relevant local authority. The South African Wine Information System is responsible for issuing certificates of origins in the wine industry (<http://www.sawis.co.za/cert/about.php>). A certificate of origin is a declaration by the exporter that the products in the shipment meet the relevant rules of origin and confirms the contents of the shipment and the origin thereof.
4. Agricultural products must also comply with the relevant regulations and import requirements set by the various U.S agencies, including the U.S Department of Agriculture - Animal and Plant Health Inspection Service (APHIS), Food Safety and Inspection Service (FSIS), and the U.S Food and Drug Administration (FDA). These regulatory agencies can be found on the following link, <https://agoa.info/regulatory-authorities-usa.html>.
5. Once the shipment arrives in the U.S, the importer or licensed customs broker designated by the owner, purchaser or consignee will file entry documents at the respective port of entry; declare the products to the U.S Customs and Border Protection (CBP); and also claim AGOA preferences for the imported products. The CBP will review the documents and examine the shipment prior to its release, and may request additional documentation for verification.

The USAID Southern Africa Trade and Investment Hub offer guidance and support to exporters on how to utilize AGOA. Refer to the following link for additional information, <http://www.satradehub.org/agoa>.

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