



Customs Duty and Market Access Project of Milk SA
(PRJ-0398-2025)
South African Milk Processors' Organisation (SAMPRO)

Quarter 4 2025 (October 2025 till December 2025)

Project goals

Goal 1 - Bilateral and multilateral trade agreements

Achievements

The Agricultural Trade Forum (ATF) of the Department of Agriculture, (DOA) is the platform where all Agricultural trade negotiations are discussed and protocols developed. During the last two years there were mainly four Multilateral agreements that were of importance to the dairy industry, namely:

- i. Southern African Customs Union Agreement (SACU);
- ii. The African Continental Free Trade Area (AfCFTA) which includes 54 African Countries;
- iii. Economic Partnership Agreement with the EU (EPA) and United Kingdom (UK); and
- iv. The China agreement.

Southern African Customs Union Agreement (SACU)

The Customs Agreement remains the oldest functioning Customs Union. It was originally established by the British colonial power in the **1880s**.

Further political and economic developments warranted complete renegotiation of the Agreement in the coming years for example:

In **1969**, in particular, Namibia's independence;

The dawn of democracy in South Africa in **1994**;

A new SACU Agreement was signed in 2002 by the Republic of Botswana, the Kingdom of Lesotho, the Republic of Namibia, the Republic of South Africa and the Kingdom of Swaziland

(now Eswatini); and

The SACU Agreement of 2002 was amended in 2013. to provide for the institutionalisation of the SACU Summit. The amendments entered into force on 16 September 2016.

Like other customs unions, a key feature of **SACU is the application of a single tariff regime – the Common External Tariff (CET)**. This means the Member States form a single customs territory which provides for a free movement of goods where tariffs and other barriers are eliminated on all trade between them. The CET applies to goods imported from all territories that are not members of SACU.

Article 31 of the Agreement stated that **no Member State shall negotiate and enter into new Preferential Trade Agreements with third parties or amend existing Agreements without the consent of the other Member States**. The SACU Member States have established a Common Negotiation Mechanism through which a unified approach to negotiations with third parties is pursued.

However, some aspects of the new agreement such as **Infant Industry Protection** and **quantitative control** (closing the border for the importation of certain products) have been outstanding for quite some time and will again be in the spotlight and be placed on the agenda for discussion.

The African Continental Free Trade Area (AfCFTA)

The AfCFTA is the world's largest free trade area bringing together the 54 countries of the African Union (AU) and eight (8) Regional Economic Communities (RECs). The overall mandate of the AfCFTA is to create a single continental market.

The AfCFTA entered into force on 30 May 2019, after 24 Member States deposited their Instruments of Ratification. Although the AfCFTA agreement had already entered into force in 2019, none of the member countries could trade under the more favourable conditions of the Continental Free Trade Agreement. Members will only be allowed to start gaining from the lower tariffs once they reach the stage when 90% of the tariff headings have been included in the list to be scaled down.

The Tariff Offer of 7111 tariff lines, which represents 90 percent of the SACU Tariff Book, was submitted to the AfCTFA Secretariat on 13 February 2023 for verification. The Republic of Botswana has also deposited their instruments for ratification of the AfCTFA Agreement. All SACU member States have now ratified the Agreement.

On 24 January 2024, the South African Government published the rules of origin as described in Government Gazette no. 50045 dated 24 January 2024 (R 4286) for the implementation of the AfCTFA.

As of August 2024, 48 of the 54 signatories (88.9% of State Parties) have deposited their instruments for ratification with the Africa Union Chairperson.

Trade agreements with the People's Republic of China

12. In September 2024, South Africa signed trade agreements with China that could lead to an increase in the export of agricultural and manufactured products to the country. The new agreements, which include protocols for dairy and wool exports as well as a groundbreaking memorandum of understanding (MoU) on foot and mouth disease (FMD) are set to open opportunities for the exportation of agricultural products to China.

13. According to Minister of Agriculture, John Steenhuisen, the dairy and wool protocols will allow access to the Chinese market for South African dairy and wool products. The inclusion of compartmentalisation will ensure that those export operations in provinces not affected by FMD will continue to be able to export their produce to China.

14. On 2 September 2024, the Department of Agriculture of the Republic of South Africa and the General Administration of the Customs of the People's Republic of China on

Inspection, Quarantine and Sanitary requirements (GACC) signed a protocol for the exportation of dairy products.

15. The signing of this protocol is good news. Such a protocol typically contains detailed information about requirements regarding matters such as food safety, product composition and which products can be exported in terms of the agreement. The detail of the requirements is not known yet and it means that South Africa must establish systems to meet the requirements set by China. Establishing such systems can take time.

16. This veterinary procedure (VPN 20) is the guideline for the accreditation and approval of a dairy factory who wants to export to China. Annexure E that has reference to exports to China has also been finalised and forwarded to the industry. The provincial veterinary department will do all the inspection and a report on the findings will be forwarded to the National Department of Agriculture for approval.

17. The Dairy Standard Agency together with the Red Meat Industry has finalised a framework for a Residue monitoring programme and submitted it to the Department of Agriculture.

18. China is requesting list of the South African establishments that are in compliance with the protocol. Only South African dairy processing facilities that is ZA approved for exports to China can submit applications for registration in China through the “Registration and Management Systems for Overseas Imported Food Manufacturers” (CIFER system).

No Non-achievements / underperformance has been reported

Goal 2 - Trade protection and tariff dispensation

Achievements

The Secretariat of the AfCFTA compiled an e-tariff book for all member states of the AfCFTA and can be viewed at: [AfCFTA e-Tariff Book \(au-afcfta.org\)](http://au-afcfta.org) See Table 1.

Table 1: Abstract of import duties in some African countries under the AfCFTA agreement

IMPORT DUTIES IN SOME AFRICAN COUNTRIES UNDER THE AfCFTA AGREEMENT (2024) (AD VALOREM – PERCENTAGE)

Country	04.01	04.02	04.03	04.04	04.05	04.06
Kenya	60	60	60	15	15	60
Madagascar	12	0-20	12	2.5-10	3-12	12
Malawi	25	10	10	25	12.5-25	12.5-25
Mauritius	5	5	5	5	5	5
Nigeria	20	3.6	5.35	2.5-20	5-20	12
Seychelles	0	0	0	0	0	0
Tanzania	60	60	60	12.5	15	60
Uganda	6	60	60	15	12.5	60
Zambia	25	15-25	25	25	25	25

Table prepared by the Office of SAMPRO based on information obtained from au-afcfta.org

fppt.com

Finalisation of the Economic Partnership Agreement with the EU (EPA) and United Kingdom (UK) on Market Access Quota's for 2025

19. Certain products originating from the European Union (EU) are eligible for a preferential tariff-rate quota (TRQ). These TRQ's allow a specific mass of imports of a particular product that can enter a market at zero import duties. When this quota is fully allocated, the normal tariff will apply to further imports. The same also applies to the SADC -UK EPA.

20. The TRQ for 2025. were published on 25 April 2025. The utilisation of the quotas for the calendar year 2025, is indicated in Table 2.

Table 2: Quota Utilization of South Africa for the year 2025

Product	Allocation Tons	Total imports Tons	Percenta Utilised
SACUM - UK EPA			
Cheese	1 086	61	5.6%
Butter	65.8	0	0%
SACU - EU EPA			
Cheese	6 125	2530	41.3%
Butter	350	0	0%

Source: Department of Agriculture (ATF)

Goal 3 - Import and export monitoring

Achievements

21. The Customs Duty and Market Access Project submitted the following monthly import and export tables and quarterly report to Milk SA:

- MonthlyJanuary to October 2025
- QuarterlyJanuary to September 2025

22. In Table 3, the mass of imports in January to September 2025, is compared with the mass of imports in January to September 2024.

Table 3: Exports from January to June 2025 and January to September 2024

Heading	Description	A 2025 Kg	B 2024 Kg	A as % of B
04.01	Milk and cream, unsweetened	120 273	245 988	48.9
04.02	Milk, concentrated	9 568 208	10 584 164	90.4
04.03	Buttermilk powder, yogurt	3 760 433	3 288 791	114.3
04.04	Whey, whey powder, etc	6 503 599	8 264 143	78.7
04.05	Butter, butter spreads and butter oil	255 764	795 375	32.2
04.06	Cheese and curd	2 884 541	3 317 556	86.9
Total		23 092 816	26 496 018	87.2

23. The mass of imports in January to September 2025, was 12.8 percent lower than in January to September 2024. This was due to the decrease in the mass of imports of five of the six categories of dairy products.

24. In Table 4, the mass of exports in January to September 2025, is compared with the mass of exports in January to September 2024.

Table 4: Exports from January to June 2025 and January to September 2024

Heading	Description	A 2025 Kg	B 2024 Kg	A as % van B
04.01	Milk and cream, unsweetened	15 400 972	14 913 237	103.3
04.02	Milk, concentrated	13 378 705	7 369 130	181.6
04.03	Buttermilk powder, yoghurt	7 721 492	7 469 621	103.4
04.04	Whey, whey powder. etc	1 783 626	1 171 040	152.3
04.05	Butter, butter spreads and butter oil	1 778 754	844 284	210.7
04.06	Cheese and curd	9 486 226	5 958 165	159.2
Total		49 549 775	37 725 476	131.3

25. Table 4, indicates that the estimated mass of exports of all six categories of dairy products in January to September 2025, was 31.3 percent higher than in January to

September 2024.

26. In Table 5, the mass of total sales of the different dairy products to the Southern African Customs Union (SACU) member states, namely Botswana, eSwatini, Lesotho and Namibia (BeLN countries) in the period January to June 2025, is compared to the mass of the exports in 2025 (January to September) by South Africa to other countries. Sales by South Africa to the other members of SACU, are not classified by SARS as exports.

Table 5: Mass of sales to the BeLN countries compared to exports outside of SACU in January to September 2025

Heading	Description	(A) Sales To BeLN	(B) Exports to Countries Outside SACU	(A+B)=(C) Sales to BeLN plus exports outside SACU	A as % of C
		Kilogram			%
04.01	Milk and cream, unsweetened	70 309 955	15 400 972	85 710 926.47	82.0
04.02	Milk, concentrated	4 004 404	13 378 705	17 383 108.49	23.0
04.03	Buttermilk powder, yogurt	16 019 283	7 721 492	23 740 775.44	67.5
04.04	Whey, whey powder, etc	2 234 122	1 783 626	4 017 748.12	55.6
04.05	Butter, butter spreads and butter oil	1 305 468	1 778 754	3 084 221.87	42.3
04.06	Cheese and curd	5 381 876	9 486 226	14 868 101.64	36.2
Total		99 255 107	49 549 775	148 804 885	66.7

27. Table 5, indicates that the mass of the total sales of dairy products by South Africa to the BeLN countries in 2025 (January to September), exceeded the mass of exports. (Exports are sales to destinations outside SACU).

28. The mass of the sales by South Africa of three of the six categories of dairy products in 2025 (January to September) to members of SACU, exceeded the mass of exports by South Africa.

29. The imports and exports of dairy products up to September 2025, is available on the website of Milk SA

No Non-achievements / underperformance has been reported

Goal 4 - Participation in the Animal Health Forum i.r.o. trade related issues

Achievements

The National Animal Health Forum does not exist any more.

No Non-achievements / underperformance has been reported

Income and expenditure statement

Income and expenditure statement	CORFIN151 Std Qtr (3) Fin report - Project Advances.xlsx Customs Duty (SEP 25).pdf
Unnecessary spending during period	No

Popular Report

[Customs 4th Qtr POP Report 2025 \(F\).docx](#)

Popular report and Additional documentation

No file has been uploaded

Statement

Levy funds were applied only for the purposes stated in the contract	Yes
Levy funds were applied in an appropriate and accountable manner	Yes
Sufficient management and internal control systems were in place to adequately control the project and accurately account for the project expenditure	Yes
The information provided in the report is correct	Yes