



Customs Duty and Market Access
(PRJ-0428-2026)
South African Milk Processors Organisation

Quarter 1 2026 (January 2026 till March 2026)

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 AfCFTA Secretariat on 13 February 2023 for verification. The Republic of Botswana has also deposited their instruments for ratification of the AfCFTA 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 AfCFTA.

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.

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) Table 1 indicates the duties payable in 2024 and the duties applicable in 2026. Some of the duties have scaled down to a lower rate over the last two years.

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

IMPORT DUTIES IN SOME AFRICAN COUNTRIES UNDER THE AfCFTA AGREEMENT FOR THE PERIOD 2024 AND 2026							
Country	(AD VALOREM DUTY – PERCENTAGE ON FREE ON-BOARD VALUE)						
	Year	0401	0402	0403	0404	0405	0406
Kenya	2024	60	60	60	15	15	60
	2026	60	60	60	10	2-8	60
Madagascar	2024	12	0 - 20	12	2.5 - 10	3 - 12	12
	2026	8	5 -20	8	2 - 8	2 - 8	6
Malawi	2024	25	10	10	25	12.5 - 25	12.5 - 20
	2026	12.5 - 25	5 - 10	5 - 10	25	12.5	0 - 12.5
Mauritius	2024	5	5	5	5	5	5
	2026	0	0	0	0	0	0
Nigeria	2024	20	3.6	5.35	2.5 - 20	5 - 20	12
	2026	20	2 - 4	2 - 4	0 - 2	0 - 2	0 - 8
Seychelles	2024	0	0	0	0	0	0
	2026	0	0	0	0	0	0

Tanzania	2024	60	60	60	12.5	15	60
	2026	60	60	60	10	10	60
Uganda	2024	60	60	60	15	12.5	60
	2026	60	60	60	10	10	60
Zambia	2024	25	15 - 25	25	25	25	25
	2026	25	0	25	25	25	25

Source: Table prepared by SAMPRO based on information obtained from au-afcfta.org

Table 3:

Trade agreements with the People’s Republic of China

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.

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.

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.

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.

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.

The Dairy Standard Agency together with the Red Meat Industry has finalised a framework for a residue monitoring programme and it was submitted to the Department of Agriculture during the second quarter of 2025.

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

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

Certain dairy 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 rate of 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 quotas.

The TRQ for 2026. were published on 27 March 2026.

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	Percentage 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)

Since September 2025, the negotiators of South Africa and The United Kingdom (UK) met to negotiate the new preferential tariff-rate quotas (TRQ's). The UK requested an increase to the existing TRQs for cheese, butter, and ice cream from:

- Cheese: 1,152 Tons to 4,000 Tons;
- Butter: 94 Tons to 1,650 Tons; and
- Ice Cream: 24 Tons to 150 Tons

UK believes that low volumes contribute to low quota utilisation. See Table 2.

A summary of the current utilisation of the 2025 TRQ's were submitted to the Department of Agriculture (See Table 3) indicating that:

90% of all cheese imports in 2025, originate from EU and UK

From the import data it is clear that the EU and the UK does not make use of the TRQ's that are currently available;

The total mass of cheese imports from the EU represents only 41 % of the TRQ's for the EU;

The total mass of cheese imports from the UK represents only 5.6 % of the TRQ's for the UK; and

The total TRQ's for the EU and UK already represents more than 10% of the total cheese market in South Africa.

The request from the UK to increase the cheese TRQ from 1152 tons to 4000 tons is totally unreasonable. No dairy TRQ's increases for cheese or butter were granted to the UK. An offer to increase the import TRQ for ice cream from 24 tons to 150 tons, were

accepted by UK in March 2026.

Table 3:

Mass of total South African imports and imports from European Union (EU) and the United Kingdom (UK) of Cheese in the period January to December 2025

Tariff Heading	Description	Total Imports	EU Countries	UK Imports	Imports from EU imports as percentage of total imports	Imports from UK imports as percentage of total imports
		Kilograms				
0406.10	Fresh cheese	371 594	294 470	0	79	0
0406.20	Grated cheese	44 383	44 297	62	100	0
0406.30	Processed cheese	1 305 973	1 079 152	0	83	-
0406.40	Blue veined	87 869	86 425	1 430	98	2
0406.90.10	Cheddar	118 617	75 671	42 894	64	36
0406.90.20	Gouda	67 904	65 690	2 212	97	3
0406.90.90	Other	1 583 975	1 360 769	174 552	86	11
	Total imports	3 580 315	3 006 475	221 150	84	6
Annual Quota 2025			8 750 000	1 152 000		

Table prepared by the Office of SAMPRO based on information obtained from SARS



No Non-achievements / underperformance has been reported

Goal 3 - Import and export monitoring

Achievements

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

Monthly January to December 2025

Quarterly January to December 2025

In Table 4, the mass of imports in January to December 2025, is compared with the mass of imports in January to December 2024.

Table 4: Exports from January to December 2025 and January to December

Heading	Description	A 2025 Kg	B 2024 Kg	A as % of B
04.01	Milk and cream, unsweetened	176 703	329 033	53.7
04.02	Milk, concentrated	12 834 809	12 174 221	105.4
04.03	Buttermilk powder, yogurt	5 103 564	4 745 113	107.6
04.04	Whey, whey powder, etc	8 738 352	10 994 926	79.5

04.05	Butter, butter spreads and butter oil	350 127	1 237 188	28.3
04.06	Cheese and curd	3 580 315	4 428 851	80.8
Total		30 783 870	33 909 333	90.8

The mass of imports in January to December 2025, was 9.2 percent lower than in January to December 2024. This was due to the decrease in the mass of imports of four of the six categories of dairy products.

In Table 5, the mass of exports in January to December 2025, is compared with the mass of imports in January to December 2024.

Table 5: Exports from January to December 2025 and January to December 2024

Heading	Description	A 2025 Kg	B 2024 Kg	A as % van B
04.01	Milk and cream, unsweetened	21 470 876	20 165 840	106.5
04.02	Milk, concentrated	18 896 191	11 736 477	161.0
04.03	Buttermilk powder, yoghurt	10 609 467	9 725 651	109.1
04.04	Whey, whey powder, etc	2 493 935	1 752 036	142.3
04.05	Butter, butter spreads and butter oil	2 597 570	1 395 406	186.2
04.06	Cheese and curd	13 067 147	8 772 508	149.0
Total		69 135 185	53 547 918	129.1

Table 5, indicates that the mass of exports January to December 2025, was 29.1 percent higher than in January to December 2024. This was due to the increase in the mass of exports of all six categories of dairy products.

In Table 6, 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 December 2025, is compared to the mass of the exports in 2025 (January to December) by South Africa to other countries. Sales by South Africa to the other members of SACU, are not classified by SARS as exports.

Table 6: Mass of sales to the BeLN countries compared to exports outside of SACU in January to December 2025

Heading	Description	(A)	(B)	(A+B)=(C)	A
		Sales To BeLN	Exports to Countries Outside SACU	Sales to BeLN plus exports outside SACU	as % of C
		Kilogram			%
04.01	Milk and cream, unsweetened	98 302 198	21 470 876	119 773 074	82.1
04.02	Milk, concentrated	5 430 075	18 896 191	24 326 266	22.3
04.03	Buttermilk powder, yogurt	21 700 363	10 609 467	32 309 830	67.2
04.04	Whey, whey powder, etc	3 447 885	2 493 935	5 941 819	58.0
04.05	Butter, butter spreads and butter oil	1 854 227	2 597 570	4 451 797	41.7
04.06	Cheese and curd	7 430 139	13 067 147	20 497 286	36.2
Total		138 164 887	69 135 185	207 300 072	66.6

Table 6, indicates that the mass of the total sales of dairy products by South Africa to the BeLN countries in 2025 (January to December), exceeded the mass of exports. (Exports are sales to destinations outside SACU).

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

No Non-achievements / underperformance has been reported

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

Achievements

This objective should be deleted. The National Health Forum has closed down.

No Non-achievements / underperformance has been reported

Income and expenditure statement

Income and expenditure statement	Customs 1qtr 2026.pdf CORFIN151 Std Qtr (1) Fin report - Project Advances.xlsx
Unnecessary spending during period	No

Popular Report

[1 Qtr POP Report 2026 \(1\).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