



Customs Duty and Market Access
(PRJ-0446-2026)
South African Milk Processors Organisation
Quarter 1 2026 (July 2026 till September 2026)

Project goals

Goal 1 - Bilateral and multilateral trade agreements

Achievements

BILATERAL AND MULTILATERAL TRADE AGREEMENTS

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.

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.

How is tariff liberalisation implemented?

Tariff liberalisation under the AfCFTA is effective from 1 January 2021, and will be undertaken through the progressive elimination of duties in equal instalments, as follows:

90% coverage of tariff book (Category A) over a period of between five and 10 years.

7% coverage of tariff book (Category B – sensitive products) over a period of between 10 and 13 years.

3% coverage of tariff book (Category C – excluded products) – exempt from tariff liberalisation.

By 2035, it is expected that 97% of tariffs within the AfCFTA would be at zero duty level.

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 \(au-afcfta.org\)](https://au-afcfta.org) See Table 1.

Table 1: Abstract of Schedule 1 import duties in some African countries under the AfCFTA agreement (2026)

<u>Country</u>	<u>0401</u>	<u>0402</u>	<u>0403</u>	<u>0404</u>	<u>0405</u>	<u>0406</u>
	Ad Valorem Duty Percentage on FOB price					
<u>Angola</u>	<u>0</u>	<u>0</u>	<u>1000</u>	<u>80</u>	<u>80-400</u>	<u>800</u>
<u>BeLN⁽¹⁾</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Kenya</u>	<u>60</u>	<u>60</u>	<u>60</u>	<u>10</u>	<u>10</u>	<u>60</u>
<u>Tanzania</u>	<u>60</u>	<u>60</u>	<u>60</u>	<u>10</u>	<u>10</u>	<u>60</u>
<u>Uganda</u>	<u>60</u>	<u>60</u>	<u>60</u>	<u>10</u>	<u>10</u>	<u>60</u>
<u>Madagascar</u>	<u>8</u>	<u>0-20</u>	<u>8</u>	<u>2-8</u>	<u>2-8</u>	<u>8</u>
<u>Malawi</u>	<u>25</u>	<u>5-10</u>	<u>5-10</u>	<u>25</u>	<u>0-12.5</u>	<u>0-12.5</u>
<u>Mauritius</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Mozambique</u>	<u>1</u>	<u>0-8</u>	<u>20</u>	<u>1-3</u>	<u>1-8</u>	<u>3-8</u>
<u>Nigeria</u>	<u>20</u>	<u>2-4</u>	<u>2-4</u>	<u>2</u>	<u>2</u>	<u>8</u>
<u>Seychelles</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Zambia</u>	<u>25</u>	<u>0</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>
<u>Zimbabwe</u>	<u>0</u>	<u>0</u>	<u>40</u> <u>40+ US\$0.25/L</u> <u>40+ US\$0.50/L</u>	<u>0</u>	<u>0</u>	<u>40</u>

Source: Table prepared by SAMPRO based on information obtained from [AfCFTA e-Tariff Book \(au-afcfta.org\)](https://au-afcfta.org)

[Botswana, Eswatini, Lesotho and Namibia \(SACU-countries\)](#)

Trade agreements with the People's Republic of China

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. A National Residue Programme is critical for any Economic Partnership Agreement. 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.

16. Although the list of active substances for export to China has also been approved by the Chinese authorities, the South African sampling grid based on our SA risk assessment, must still be finalised. For the time being it seems that the South Africans will not be able to implement a National Residue Programme, but they will rather focus on export Residue programmes. This is unfortunately steering into a dire strait situation by putting export programmes together, not based on a sound national programme which will lead to a variety of programmes to suit the requirements of import countries.

17. The above situation is by no means sustainable and requires interventions such as full collaboration between the NDA and private sector (PPP) to approve participation and collaboration with private laboratories for mainly export purposes. It is the view of the Office of the Dairy Standard Agency that full understanding should be obtained on what is required for validation and accreditation of the analytical methods applicable for export – considering the fact that no laboratory in SA can currently conduct to the full, the necessary dairy substances tests under full accreditation and validation. Discussions with the relevant authorities are ongoing, trying to find solutions.

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

EU and UK Economic Partnership Agreement (EPA) Market Access Quota's for 2025

and 2026.

1. 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.

2. 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)

3. The TRQ's for 2026, were published on 27 March 2026.

No Non-achievements / underperformance has been reported

Goal 3 - Import and export monitoring

Achievements

IMPORT AND EXPORT MONITORING

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

Monthly January to August 2026

Quarterly January to June 2026

In Table 3, the mass of imports in January to June 2026, is compared with the mass of imports in January to June 2025.

Table 3: Imports from January to June 2026 and January to June 2025

Heading	Description	A 2026 Kg	B 2025 Kg	A as % of B
04.01	Milk and cream, unsweetened	68 034	82 571	82.4
04.02	Milk, concentrated	11 731 131	4 828 130	243.0
04.03	Buttermilk powder, yogurt	2 908 338	2 237 240	130.0

04.04	Whey, whey powder, etc	5 176 398	3 676 366	140.8
04.05	Butter, butter spreads and butter oil	2 139 806	180 750	1 183.8
04.06	Cheese and curd	2 109 230	1 720 373	122.6
Total		24 132 937	12 725 431	189.6

The mass of imports in January to June 2026, is **89.6 percent higher** than in January to June 2025. This is due to the **increase in the mass of imports of five of the six** categories of dairy products.

In Table 4, the mass of exports in January to June 2026, is compared with the mass of imports in January to June 2025.

Table 4: Exports from January to June 2026 and January to June 2025

Heading	Description	A 2026 Kg	B 2025 Kg	A as % van B
04.01	Milk and cream, unsweetened	12 569 768	10 439 844	120.4
04.02	Milk, concentrated	7 744 218	7 777 736	99.6
04.03	Buttermilk powder, yoghurt	5 675 030	4 884 397	116.2
04.04	Whey, whey powder. etc	1 029 072	984 421	104.5
04.05	Butter, butter spreads and butter oil	752 021	1 057 912	71.1
04.06	Cheese and curd	4 649 115	5 706 656	81.5
Total		32 419 223	30 850 965	105.1

Table 4, indicates that the mass of exports of three of the six categories of dairy products in January to June 2026, is higher than in January to June 2025.

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 2026 (January to June), is compared to the mass of the exports in 2026 (January to June) 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 June 2026

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	46 077 830	12 569 768	58 647 598	78.6
04.02	Milk, concentrated	2 678 817	7 744 218	10 423 035	25.7
04.03	Buttermilk powder, yogurt	9 541 859	5 675 030	15 216 889	62.7
04.04	Whey, whey powder, etc	893 952	1 029 072	1 923 024	46.5
04.05	Butter, butter spreads and butter oil	759 026	752 021	1 511 047	50.2
04.06	Cheese and curd	3 059 252	4 649 115	7 708 368	39.7
Total		63 010 736	32 419 223	95 429 960	66.0

Table 5, indicates that the mass of three of six products total sales of dairy products by South Africa to the BeLN countries in 2026 (January to June), exceeds the mass of exports. (Exports are sales to destinations outside SACU).

No Non-achievements / underperformance has been reported

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

Achievements

This forum does not exist any more

No Non-achievements / underperformance has been reported

Income and expenditure statement

Income and expenditure statement	CORFIN151 Std Qtr 1 (JUL TO SEP 2026) Fin report - Project Advances.xlsx Customs jul to sep 26.pdf
Unnecessary spending during period	No

Popular Report

[1st Qtr POP Report 2026 \(Jul to Sep 2026\)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	No
The information provided in the report is correct	Yes