Peanut Blog
An ounce of information

South Africa approves higher peanut butter import duty as price concerns grow

The new tariff aims to support local manufacturers, but consumers now face the risk of paying more for one of the country's most affordable sources of protein.

SOUTH AFRICA – South African consumers could soon pay more for peanut butter after the International Trade Administration Commission (ITAC) approved a 20% import duty on imported products to support local manufacturers facing pressure from lower priced imports. The new tariff replaces the previous duty of 99 cents per kilogram. It follows an application by RCL Group Services, which owns the YUM YUM peanut butter brand. The company had requested a 25% tariff, but ITAC approved a lower rate after reviewing the available evidence.

ITAC said local manufacturers have struggled as cheaper imported peanut butter gained market share. According to the commission, local production, sales and factory use have all declined while imports continued to increase. Chief Commissioner Ayabonga Cawe said the current tariff system puts South African manufacturers at a disadvantage because imported groundnuts used by local processors face a higher duty than imported peanut butter. "We took the decision to not grant the 25% that the applicant wanted, but to provide a 20% duty based on the evidence before us," said Cawe.

He added that imported peanut butter producers can source raw materials, produce at much larger volumes and sell their products in South Africa at lower prices than local manufacturers.

ITAC believes the higher tariff will help local manufacturers compete while limiting the effect on consumers. The commission has also opened a separate investigation into a temporary rebate on imported groundnuts to reduce production costs for local processors.

The decision comes at a time when peanut butter remains an important food for many households. South Africa has about 21.3 million households, and research shows that between 77% and 80% of them, or about 16.4 million to 17 million households, buy peanut butter regularly because it offers an affordable source of protein.

A 400 gram jar currently sells for between R39 and R55, or about US$2.20 (R39) and US$3.10 (R55), depending on the brand and retailer. The Pietermaritzburg Economic Justice and Dignity Group also reported a 2% increase in peanut butter prices in January 2026 as food inflation continued to affect household spending.

Industry observers expect prices to rise further during 2026 and 2027 as the higher tariff takes effect and domestic groundnut supplies remain limited. Looking further ahead, ITAC's proposed rebate on imported groundnuts, together with support for local farmers, could help stabilize supplies and reduce dependence on imports.

Manufacturers may also expand into value added peanut products to meet changing consumer demand. Over the longer term, the market will depend on keeping peanut butter affordable while supporting local production as demand for low cost protein continues to grow.

Source: https://millingmea.com/south-africa-approves-higher-peanut-butter-import-duty-as-price-concerns-grow/