KILWA

KILWA RESEARCH · SPECIAL BRIEFING · US MIDTERMS 2026

The Heartland sent the bill.

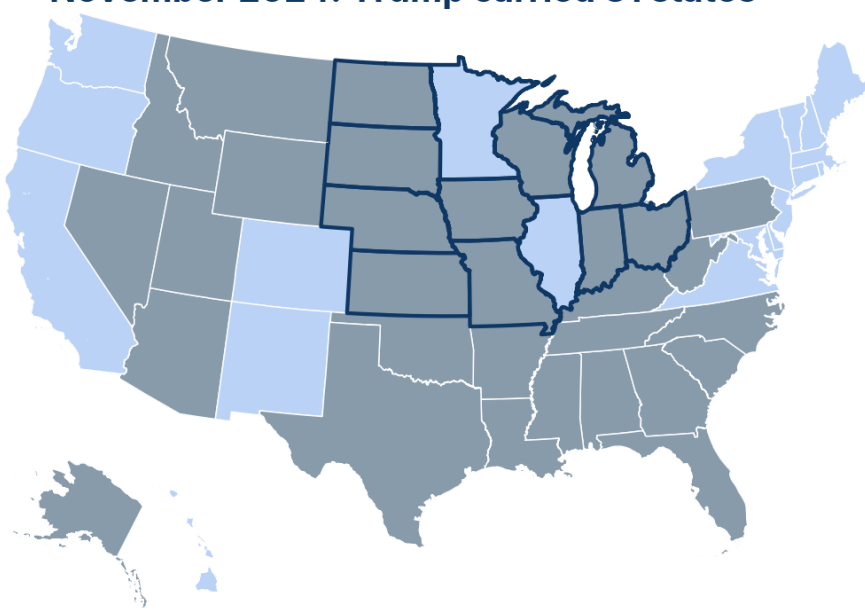
Tariffs, oil and grocery prices flipped Congress on November 3. The Midwest wrote the invoice. Here is the receipt, and what it means for the US-Africa corridor.

Median +12 pts swing · 7 Senate flips, six in Trump-2024 states · US$4.15 gas on Election Day

SWIPE →

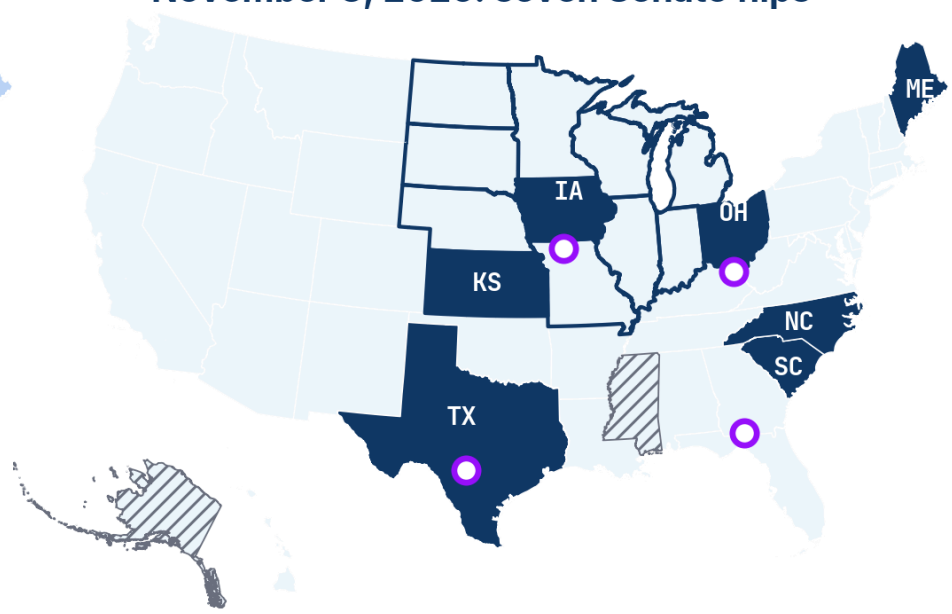
The map moved against the party that held it.

November 2024: Trump carried 31 states



Trump Harris Midwest-12

November 3, 2026: seven Senate flips



Senate flip Governor flip Uncalled

+12 pts

Median swing toward Democrats across ten Midwest Senate and governor races

7

Senate flips, six from the 2024 Trump column, three in the Midwest

4

Governors flipped: Iowa, Ohio, Texas, Georgia. First Democratic majority since 2010

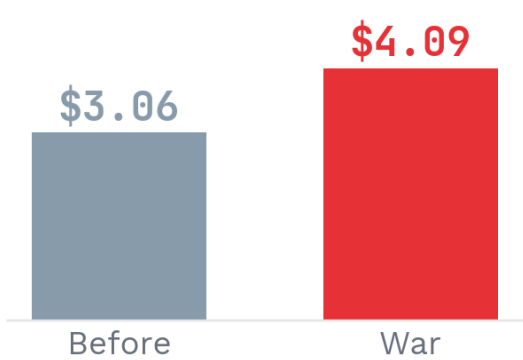
SO WHAT

Kansas +19, Iowa +21, Ohio +18. The average county moved 17 points in Iowa and 14 in Ohio, with slope 0.95 and R^2 0.99 against 2024. A wave, not a rural revolt.

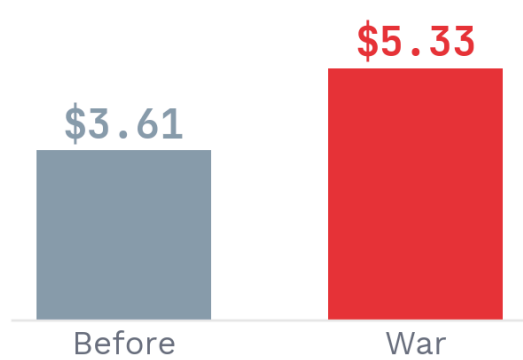
A price shock, not a jobs shock. The war delivered it.

Monthly means. Before: Jan 2025 to Feb 2026. War: Mar to Sep 2026. EIA, BLS, U. Michigan

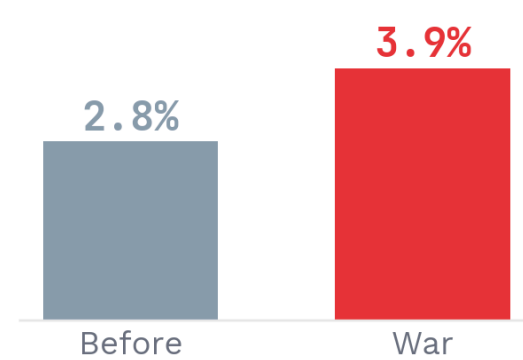
US gasoline, $/gal



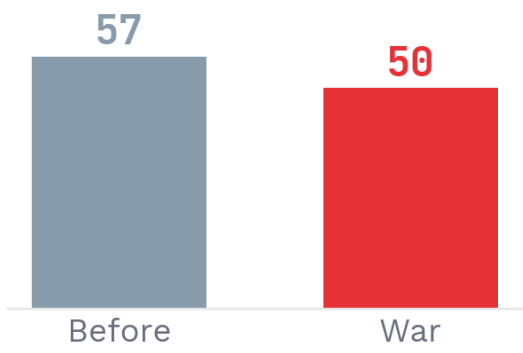
Midwest diesel, $/gal



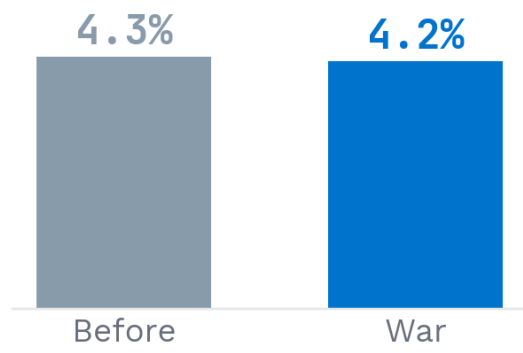
Midwest CPI, y/y



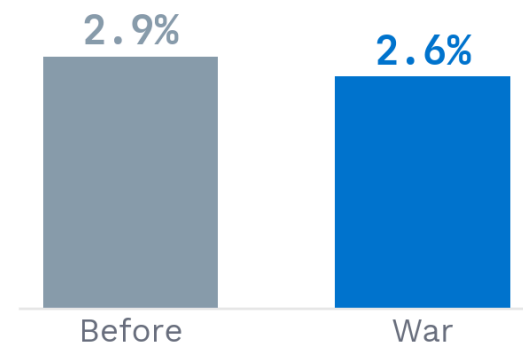
Consumer sentiment



Unemployment



US core CPI, y/y



SO WHAT

From the first Iran strike on February 28, 2026: gasoline +US$1.03, Midwest diesel +US$1.72, Midwest CPI 2.8% to 3.9%, sentiment 57 to 50 (p = 0.002). Unemployment did not move. Each US$1 of gasoline cost 6.8 points of consumer sentiment.

02 · THE SQUEEZE

The farm gate paid first. The assembly line paid second.

The 2025 tariff regime made the Corn Belt contestable before a single missile flew.

US$16bn

Drop in US farm exports to China in 2025, from US$24.4bn to US$8.4bn (USDA via CNN)

+70%

Rise in Midwest Chapter 12 farm bankruptcies in 2025 (AFBF from US Courts)

41,700

Modeled Midwest manufacturing jobs lost to tariff costs. GM alone paid over US$3bn (MEPI, GM)

38%

Presidential approval in exit polls, on pace for the lowest for a president in a midterm (CBS)

52→36

Approval, January 2025 to the October 2026 floor. The first leg was tariffs. The second was the war (PollCheck)

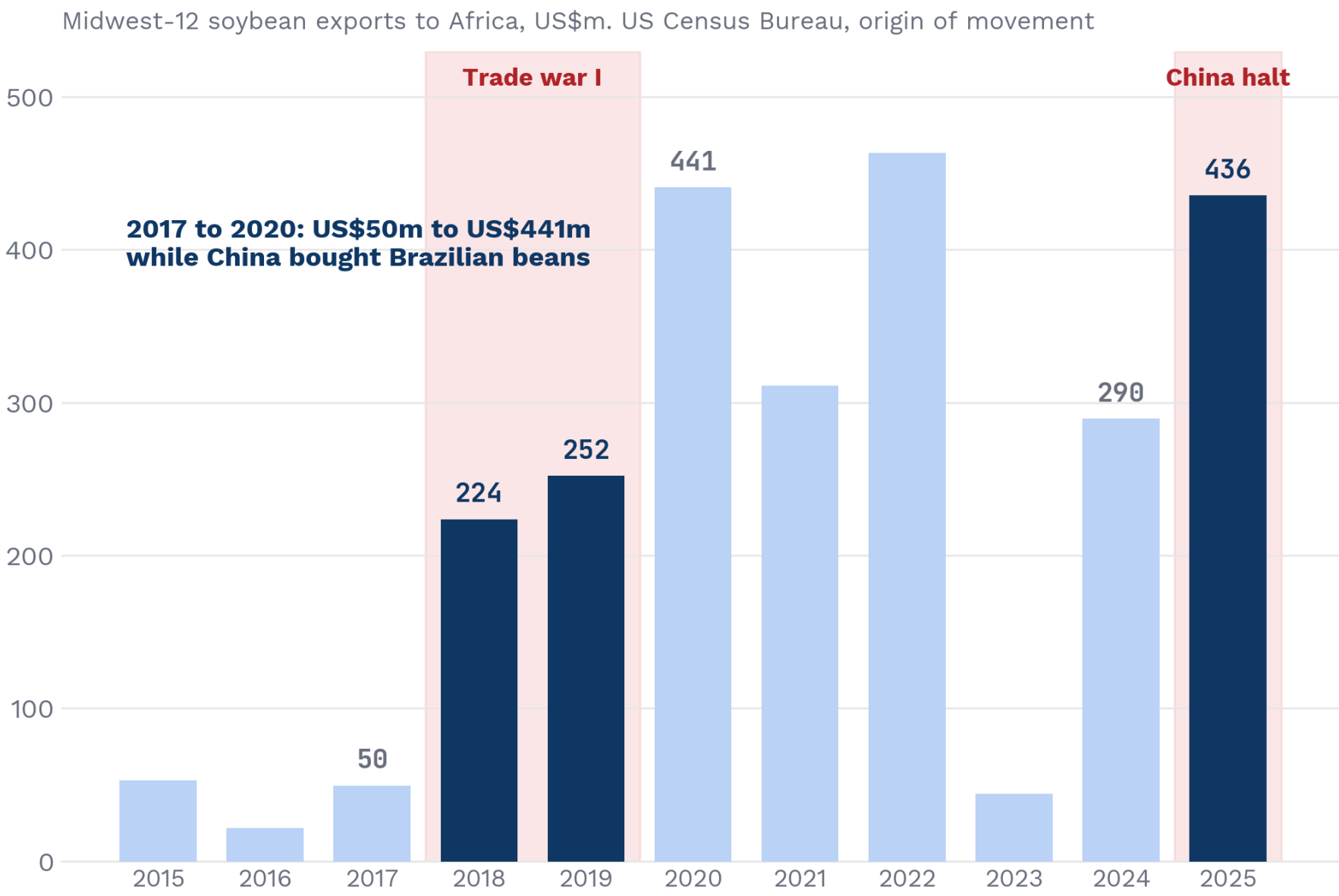
US$20bn

Farm aid announced this cycle: US$12bn paid by February 2026 and US$8bn more announced October 19 (USDA)

SO WHAT

At 38% approval the 1938 to 2022 base rate predicted a House loss of about 37 seats. It gave seven Senate flips a 35% chance. The map, not the penalty, is the surprise.

Africa caught the overflow. Less than 1% of it.



SO WHAT

Midwest soybeans to Africa hit a record US$436m in 2025, US$355m of it Egypt. The US$146m gain is under 1% of the US$16bn China loss. Yet Egypt gained more share of US soybean exports than any other market, 4.6% to 10.2% through November, and became the fourth-largest buyer. A relief valve, not a replacement.

Africa still grew 7% while the Midwest stood still. In 2018 it stuck.

Same shock, same valve. Trade war I opened the Egypt soybean lane in 2018. It never closed.

+7.3%

Midwest-12 exports to Africa in 2025, to US$4.80bn, while total Midwest exports were flat

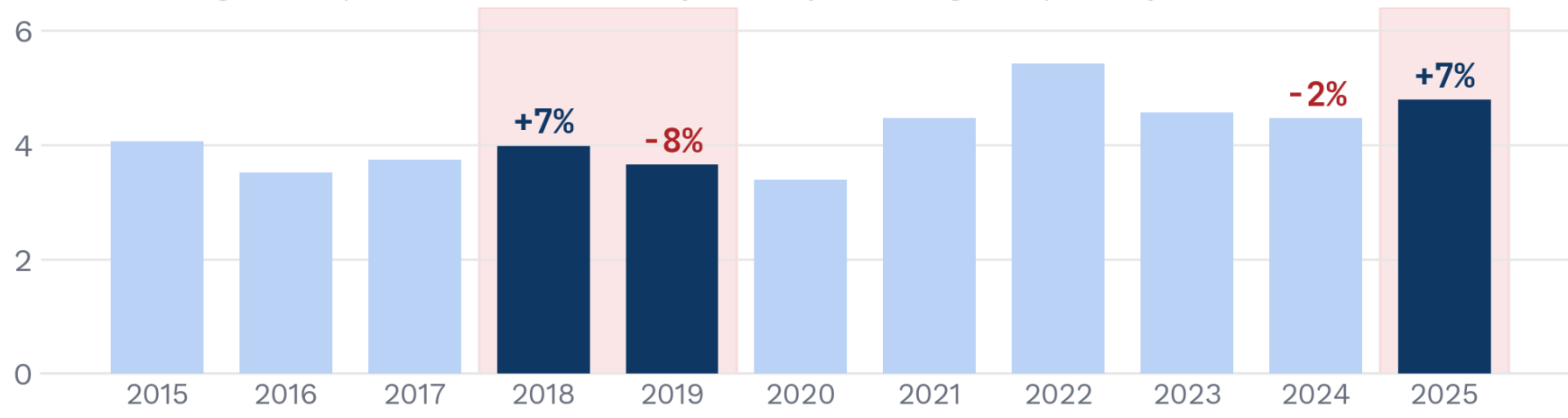
US$441m

The Africa soybean lane by 2020, from US$50m in 2017, while China bought Brazilian beans

-8%

What the aggregate gave back in 2019 after +7% in 2018. The lane persists. The headline does not

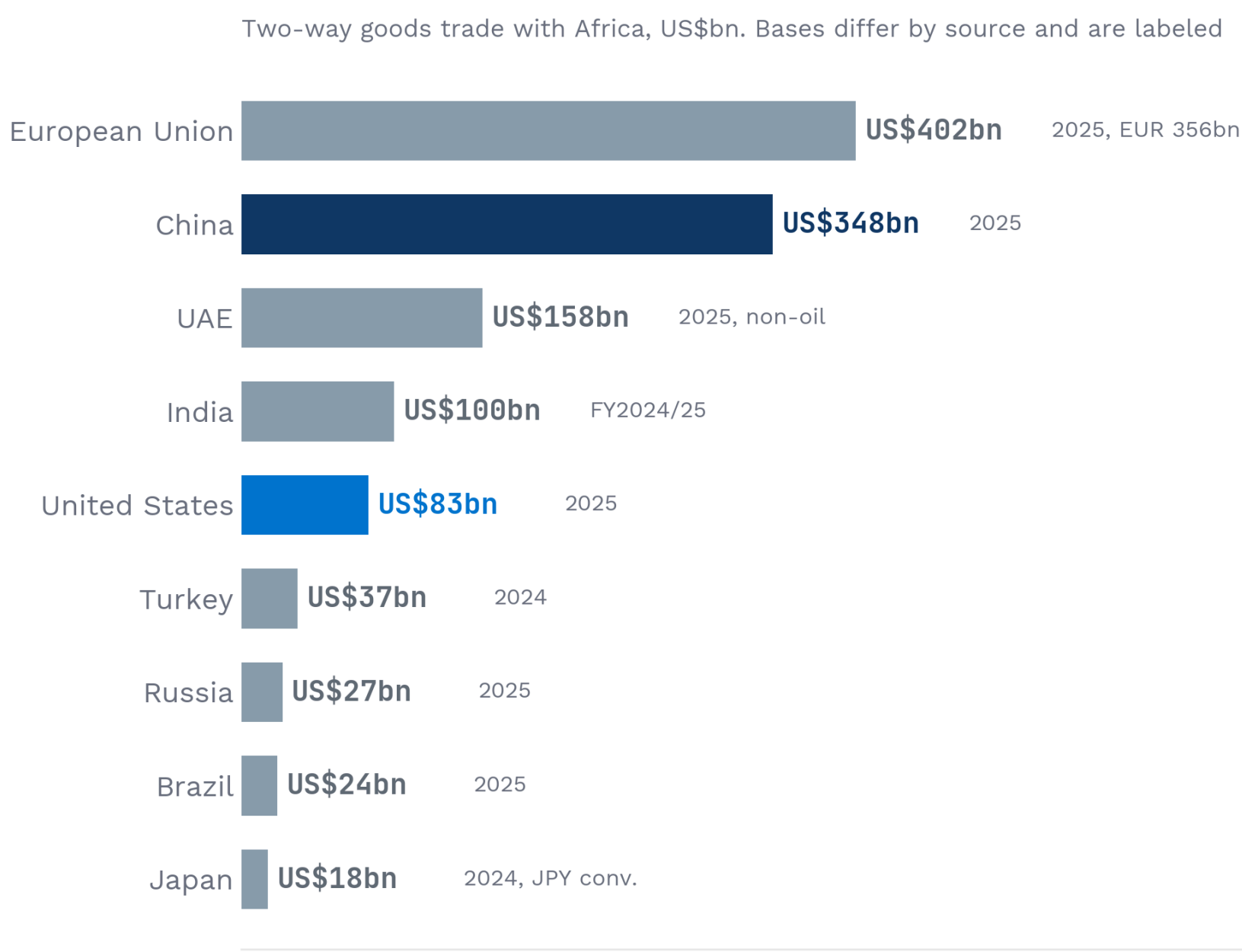
Midwest-12 goods exports to Africa, US$bn, year-on-year change in episode years. US Census Bureau



THE COMP

Washington paid US$23bn in trade aid in 2018 to 2019 and has announced US$20bn this cycle. Expect the 2018 shape again: Egypt and Nigeria hold, the capital-goods lines keep slipping, and the total drifts unless policy moves. Our Monte Carlo puts 2027 at US$5.3bn with a 28% chance of landing below 2025.

Beijing zeroed tariffs for 53 African countries. Washington gave notice to drop its biggest AGOA partner the day before the vote.



SO WHAT

The comps: the United States is Africa's fifth trading partner, behind the EU, China, the UAE and India. China sells Africa 5.6 times what the US does and charges zero tariffs from May 1, 2026. On November 2, USTR notified South Africa and Rwanda of AGOA termination effective January 1, 2027.

Ten days in January decide the corridor.

Jan 1

South Africa leaves AGOA

Unless USTR publishes a reinstatement path. Autos, citrus and wine reprice to MFN plus Section 301 and 232.

Jan 3

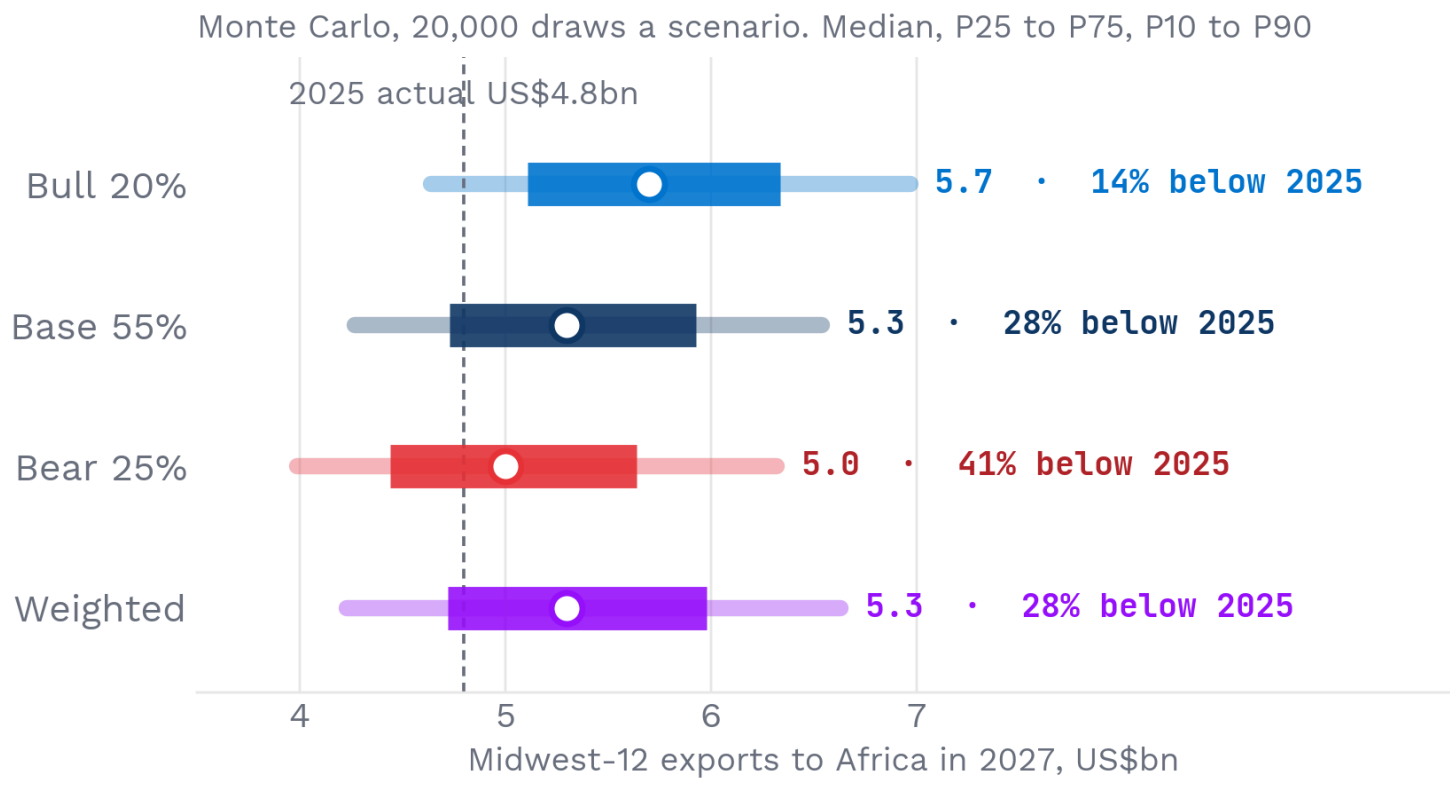
The new Congress sits

Hearings, refund bills and war-powers votes are certain. A veto-proof tariff rollback is not.

Jan 10

The China truce expires

If it lapses, soybean basis and freight reprice within weeks. Africa cannot absorb the volume.



SO WHAT

Kilwa scenarios: Bull 20% (South Africa reinstated), Base 55% (oversight and stalemate), Bear 25% (South Africa out, truce lapses). Probabilities are Kilwa judgments as of November 4, not forecasts of returns.

THE KILWA VIEW

Position for the window, size it honestly.

THE KILWA VIEW

Africa is the relief valve that works. Midwest exports to Africa grew 7.3% under the tariff regime while the total stood still. It cannot replace China in volume. It can keep paying the farm gate and the assembly line at the margin, and in 2018 the lane it opened never closed. US access widens or narrows in January.

01 **DFIs and allocators: the exempt lane**

Kenya, Ghana, Côte d'Ivoire, Lesotho and Madagascar carry no additional US tariff and AGOA runs to 2028. Best US-access position since April 2025.

02 **PE and corporates: the South Africa option**

Reprice export platforms to MFN now. Reinstatement is the Bull case at 20%, and the first signal is a USTR roadmap before January 1.

03 **Midwest exporters and state trade agencies: Egypt and Nigeria**

Soybeans, wheat, biologics and vehicles grew. Tractors, pumps and medicines fell. Dealer and finance coverage decides the next US$1bn.

What would prove us wrong: a January 1 termination with no reinstatement path, a lapsed China truce that sends US soybeans to Africa at distressed basis, or an Egypt FX event like 2023.

Want this mapped to your mandate before January 3? hinsley.njila@kilwa.io

KILWA

YOUR NEXT STEP · A BRIEFING FOR YOUR COMMITTEE

Book a 45-minute briefing before the January window closes.

Hinsley Njila, Founder & CEO and series editor, leads every session. Video, 45 minutes, your materials stay yours, no platform pitch.

WHAT YOU GET

Your exposure mapped to the five lanes and eight signposts. The positioning matrix filled in for your mandate. A dated calendar to January 10. The data and model code behind every exhibit.

WHO IT IS FOR

DFIs and allocators repricing South Africa and the exempt lane. PE and corporates with AGOA sellers or platinum inputs. Midwest exporters and state trade agencies. Policy desks preparing for the first 30 days.

THE FULL BRIEFING

57 slides, 29 exhibits, four models, the comps and the positioning matrix by client type. Read it at kilwa.io.

Email hinsley.njila@kilwa.io with your mandate and two time windows

kilwa.io · research@kilwa.io

Kilwa ISI (where to invest) and Kilwa METI (when to invest). Kilwa Technologies is not a registered investment adviser. General information, not investment, legal or tax advice, tailored to no recipient. Election counts unofficial as of November 4, 2026. Sources: US Census Bureau, DDHQ, CBS News, Ballotpedia, UCSB, EIA, BLS, University of Michigan, USDA, AFBF, USTR, gov.cn, WTO, IMF, Kilwa models.