

MEDIA RELEASE AMIE

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In a recent article published in Business Live (October 1) on the dangers that bird flu poses for the SA economy, the local poultry producers association SAPA made comments that cannot go unchallenged.

Izaak Breitenbach, general manager of the Broiler Organisation of the South African Poultry Association, said this week the association believed importers would react to the outbreak by importing more chicken. He said that Brazil, the US and at least two European countries are in a position to export chicken to South Africa and that there was thus no need to recall the anti-dumping duties because imports were flowing in from Brazil over and above the anti-dumping duties. He continued that importers could be importing as much as 50 000 mt per month and that they would respond to the outbreak by importing a lot more.

The reality of the situation from an import perspective of poultry into South Africa is the opposite of this statement. SAPA is disingenuous when it comes to imports by alluding to a figure of 50 000 mt per month. I really don't know where they get these figures from, because the latest import statistics show that August 2023 imports (excluding MDM) were around 11 686 mt.

It is also extremely unrealistic to think that the world is waiting to assist South Africa with cheap poultry. Our local food service businesses have specific requirements and approval processes that take time to be negotiated and these cannot be substituted with imports overnight. World-wide, producers are cutting back on production. Additionally, our authorities are slow to open markets after avian flu outbreaks and hampers our trade relations. And the ultimate reality is that the imported chicken is no longer affordable because of the depreciating rand and increased duties.

Total meat imports include beef, pork, chicken, turkey, and lamb products in August 2023 was 36040 mt. Bone-in chicken portions (the preferred pieces being leg quarters, drumsticks and wings) were only 3 238mt in August. This is down 43% year-on-year, and so to quote an amount of 50,000mt is completely misleading.

The three-year period (Sept 20 – Aug 21 to Sept 22 – Aug 23) shows a 53% decline in volume from 143 794mt to 67 442mt currently. The drop in volume has been as a result of Minister Patel's decision to increase the MFN duties on bone-in portions from 37% to 62% after the Poultry Master Plan negotiations in 2019.

Executive Committee: S. Talpert (Chairman), G. Chaplin (Vice-Chairman), C. Bobbert, C. Dorfling, G. Hendricks, G. Southey, M. Luff.

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The reason given for these 'anti-dumping' tariffs was to allow the local industry breathing room to get export ready to take advantage of preferential export agreements with trading partners / blocks such as the EU. To date very little local production, if any, is exported, 95% of all SARS export data is imported product that is landed in South Africa and sent by truck to our SADC countries.

Recently Minister Patel said at the relaunch of Rainbows factory in Hammersdale that Saudi Arabia was open for business - however this is on beef, not poultry products. The recent delegation from Saudi Arabia did not visit any local poultry producers during the Saudi Arabia mission into South Africa.

Importers are facing many challenges such as worldwide inflation resulting in increased production costs which producers are unable to recover, resulting in producers cutting back on production. South African authorities are also slow to reopen markets that are deemed free of Avian flu by the World Organisation for Animal Health (WOAH), an internationally recognised body, resulting in limited markets to import from. This is stifling the ability to negotiate. But perhaps the ultimate reality is the affordability of imported bone-in portions, specifically due to the depreciating rand and increased duty from 37% to 62%. The price increases are causing many consumers in the mass market to change eating habits to cheaper alternatives.

AMIE as a result has written to the ITAC commissioner to review the decision to increase MFN duties on Bone in and Boneless Chicken Portions, especially given the plight of consumers in South Africa.

Yesterday, the Minister of Trade, Industry and Competition Mr. Patel, directed the International Trade Administration Commission of South Africa (ITAC) in terms of section 16(1)(d)(ii) of the International Trade Administration Act, Act 71 of 2002, to consider the creation of a temporary rebate provision on meat and edible offal, fresh, chilled or frozen of poultry for the duration of the shortage of chicken as a result of an outbreak of highly pathogenic avian influenza (HPAI) in South Africa. We as industry need to comment back to ITAC by the 16th October 2023.

We must ensure that food security and affordability for all South Africans are at the heart of our trade policies.

End....

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