



MEDIA RELEASE

13 March 2020

THE SOUTH AFRICAN POULTRY ASSOCIATION WELCOMES THE NEW IMPORT TARIFF ON FROZEN CHICKEN IMPORTS

The South African Poultry Association (SAPA) has welcomed the announcement by the Minister of Trade Industry and Competition, Mr Ebrahim Patel, of the long-awaited tariff adjustment on imported chicken from a number of countries, including Brazil. The new tariffs published in the Government Gazette today present a measure of relief to SA's local poultry production industry, which has suffered significant damage under a landscape that saw large-scale dumping of poultry into South Africa.

"The industry has for a long while been in distress due to unfair trade and the dumping of chicken into South Africa. As a key agricultural, food-producing industry that has been under threat, with repercussions for food safety, employment and rural economic development, we believe the tariffs granted by Minister Patel after a comprehensive process of consultation are a step in the right direction," says Izaak Breitenbach, GM of SAPA's Broiler Organisation.

"The tariffs were extensively discussed under the ambit of the recently negotiated Poultry Sector Master Plan, and although stakeholders did not all agree on an increase in tariffs, all stakeholders had the opportunity to give ample input to the facilitator and Minister Patel to enable an informed decision. This was the poultry industry's most inclusive process to date in terms of stakeholder participation in a tariff decision to curb the unfair component of trade."

The new tariffs will apply to frozen bone-in chicken portions and boneless chicken cuts, and will increase from 37% to 62% and 12% to 42% respectively. The industry had applied for tariffs of 82% under both categories of product. Local producers supply about 70% of consumption in South Africa, and the new tariffs will apply to over 30% of all imported chicken – with imports from the EU not being affected. "The reaction of exporting countries may very well negate the desired impact of these tariffs, should they merely reprice surplus product, and only time will tell if the new tariffs work as intended," cautions Breitenbach.

Breitenbach commended the minister for acting decisively and inclusively in driving the process that led to the Poultry Industry Master Plan, and has emphasised the industry's full support for all the pillars and actions set out in the plan. "The new tariff is a step to ensuring the long-term sustainability of the local poultry industry, which is the largest contributor to agricultural GDP in South Africa. The industry had already started rolling out a R1.5 billion expansion programme aimed at creating economic growth and jobs, based on its commitment to the Poultry Sector Industry Master Plan.

"Now that the tariffs have been finalised, we look forward to working together with Minister Patel and the Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza, to realise all the other master plan objectives," said Breitenbach. ENDS