

FROM THE DESK

A hot and dry start to the planting season is with us, although signs of sufficient rain for a decent harvest are fairly strong. Hopefully the grain farmers have a good year, which will mean a better feed price for us from about the middle of next year. That is, of course, quite a long time to wait for hope, so what should we do in the meantime? Both the egg and meat industries are working on programmes to make their worlds' better ones.

SAPA

The first regional SAPA meeting post the adoption of the new constitution will have taken place by the time you read this article. We're mindful that our main audience doesn't reside in Johannesburg. We'll surely learn from the first event in KZN and apply those lessons to the meetings to follow. These regional meetings should enable us to serve both small and larger farmers better than we do now. We need to transform the organisation itself and the poultry farming landscape i.e. this is a broad ranging transformational project.

Broiler matters

The import flood continues unabated and the necessarily slow and careful process for ITAC to consider our safeguard application continues. We've made further representations to ITAC, who have now issued a Government Notice that their decision has been sent to Minister Davies as a recommendation for his intended action - whatever that might be. The details of the recommendation have not been disclosed in the Notice. We launched this action under the Trade Development and Cooperation Agreement (TDCA), which has now been replaced by the Economic Partnership Agreement (EPA). The transition from the TDCA to the EPA must be carefully done to minimise unnecessary legal action by aggrieved parties. What have ITAC said? Well, they've accepted that we have a problem; that the EU is a cause of this problem; and that urgent action is needed. We'd like to believe that this means the remedy proposed by ITAC should rectify the problem. This is where we are a bit confused, as the proposed remedy of a safeguard duty of about 13% will not likely fix the problem. Further work is needed and will be done.

The brining saga isn't yet over, as after DAFF advised that SAPA should apply for exemptions so that products made before 22 October and brined to more than 15% could continue to be sold, the appeal panel established by DAFF in terms of the High Court order didn't agree that we should apply for the exemptions. In the interim, DAFF had started giving the exemptions it wouldn't give beforehand - and continued to do so after the appeal panel rejected our application. Confused? So am I.

We're in discussions with DAFF about the proper interpretation of the regulations as our advice is that producers may continue to produce products for catering companies that might not be in compliance with the regulations as long as the products are cooked before sale or presentation to the consumer. We also believe that the regulations do not prohibit the manufacture of products for export to the export customer's specification. If any broiler producer has not received our advice on the new regulations, then please contact me directly for same. DAFF doesn't agree with our reading of the regulations. We're hopeful that the issue will be resolved without further legal action. After all, the regulations have to be read as they are written, not as one might wish them to have been written. This comment applies to all parties affected by the regulations and so we hope that all producers are in compliance with the new regulations. The inability of DAFF to actually measure what you might be doing is no reason not to do your best to be in compliance.

A group of major broiler producers has met to chart the way forward for the industry. The action plan from this meeting still needs to be finalised before we can publicise it, but clearly we have to do something about the growing level of imports if we're to survive, let alone prosper. Obviously the importers have a different view, so expect a contested space when we embark on our next set of actions.

Last month, I attended the second IPC meeting of the year and used the opportunity to discuss trade with my EU colleagues. They're deeply concerned that their largest export market might be under threat and we in turn are concerned about the harm their exports are causing us. There are solutions possible, but it's for the EU to offer a proposed way forward, not for us. Until the EU is sufficiently concerned about the loss of SA as a market, it's likely they won't make an effort to allow us to export to them. Ostrich meat is no problem, chicken meat is most definitely a problem; as we can produce chickens cheaper than they can, and as we would not need a quota to export to them, there is a real opportunity for us in the EU market.

The IPC meeting focused on the issue of anti-microbial resistance (AMR), which is top of mind for many countries' health and agriculture authorities these days. If readers want more information on the IPC position being developed, they're invited to contact me directly. After the IPC meeting, a group of IPC leaders, including me, met with DG of the OIE, Dr Monique Eloit, to discuss our approach to joint industry-OIE cooperation. All

countries have to submit a strategy for managing antimicrobial resistance to the OIE by May next year. This is a 'hot topic' and, whatever your views on the importance of this issue, we need to find alternative ways of minimising and managing disease wherever possible if we're not to have uninformed politicians making decisions on our behalf. At the local level, we'll be doing our best to assist DAFF in drawing up a pragmatic and effective plan which they can then submit to the OIE.

The duck industry in South Africa is small and generally flies under the radar but they themselves are suffering the effects of imports from the EU and elsewhere. The Western Cape Department of Agriculture has agreed to part sponsor an investigation into tariff and safeguard measures that will attempt to keep the industry alive. This is an excellent example of state support for agriculture and I hope you will join me in appreciating their inputs.

Bonds of security for the Namibian court case appeal have been posted by the applicants' i.e. the producers on whose behalf SAPA is conducting the case and we think that a Court date in the first half of next year is possible. Separately, we're raising this matter again with our government as the unlawfulness of the Namibian government action is to the detriment of our relations within SACU and SADC, let alone the new EPA and the WTO.

I was invited to address the Cobb Europe conference held in Zimbabwe last month on the growth prospects for the industry in Africa generally. The 'Africa rising' narrative has lost some of its vigour of late as a combination of weak resource markets and marketing hype brings a more measured response to African potential to the fore. The potential still exists and will not go away, although it might take a little longer for it to be realised. It is trite to say but 'Africa is not for sissies' comes to mind. Get stuck in, stay stuck in and success will mostly follow.

We've been concerned that the NAMC is reporting the rate of change in prices of frozen chicken portions incorrectly over the last while. This is because StatsSA have started to collect pack size prices rather than measure per kg prices. We're happy that after a full year the problem will resolve itself as the NAMC will then be comparing 'apples with apples', so to speak, but in the meantime please accept that the Food Price Monitor is not reflecting reality.

Egg matters

As always I ask that you read Charlotte's column for most of the news on the egg industry. I attended the Galliova judging last month although I missed Galliova itself as I had some travel difficulties. From reports received by attendees, it seems as if the awards day went off very well. Another successful event; another set of happy writers.

World Egg Day was held last month and was not much celebrated in South Africa. I do hope that the egg producers can find common ground on enough issues so that some generic egg marketing can be done in the next few years. One of the interesting ideas I picked up on at the recent IEC meeting was the Canadian concept of 'Eggcentric TV' which allows countries to use various digital platforms to promote eggs for a limited cost. I hope that this idea finds favour with the EO Committee who will meet in November.

I will be negotiating on behalf of the egg producers of the world in November for the new OIE layer welfare standards. This will surely be a testing assignment as Western interpretations of the meaning of welfare predominate even though the Western, or developed world, is a mere 13% of global population. The International Standards Organisation will publish a Technical Specification on welfare this December, allowing countries to use the OIE standards in a structured way within a local legal framework. There are broiler welfare standards in existence now and I would expect that the layer standards will be finalised within two years.

Salmonella court case

We've submitted our supplementary affidavit at the beginning of November. This is after DAFF took a very long time to supply the record of their decision. The affidavit is now in the public domain for anyone who is interested in the matter. We think that it makes sense to give DAFF until early January to respond to our affidavits as the Christmas court recess means that little will be done by either party during December. The more information we receive, the clearer it becomes to us that DAFF is aware of the risks that the lowering of testing standards for the benefit of the US will have for South Africa. As I think you're aware, DAFF is also dealing with a related case from the South African pork industry where standards for certification for freedom from Porcine Reproductive and Respiratory Syndrome (PRRS) have been lowered to suit the US. As one of a handful of countries who are free from PRRS, this is a risk South Africa cannot afford to take. We'll keep talking to DAFF in this regard as we seek resolution wherever possible.

General

The first of the statutory levy court cases will be heard in November in the Pietermaritzburg High Court. The wheels of justice do turn very slowly. This case should give us a good idea of the chances of successful prosecution of some of the remaining cases. Winning these cases will help top up the transformation fund that will be established with the levy surplus money.

We've started our planning for Avi Africa next year and an important change in the arrangements is that we have now insourced the organising of the exhibition. Louisa Nel will now be in charge of the exhibition and no longer Hendrien Erasmus. Please contact Louisa at the office if you want any information on the exhibition which is already more than half sold. The format of Avi Africa will be similar to this year's version with some slight changes. On the first day we will be having three keynote speakers after the two AGMs and Congress which we believe will attract more delegates to the first day. Hopefully this means more traffic for the exhibitors. The cocktail evening will be on the first evening, allowing companies who want to use the opportunity to host private events on the second evening. On the second day there will be three parallel sessions and a joint session on the third and last day. Registrations are open for delegates and exhibitors.

Operation Phakisa, valiantly attended by Charlotte is now complete. Five weeks of planning for the future of agriculture is now complete and we await the action plan that will follow.

Regards,
Kevin Lovell,
CEO.