

SOUTH AFRICAN POULTRY MEAT IMPORTS: TARIFF CODE REPORT FOR NOVEMBER 2017

PLEASE NOTE:

This report is based solely on SARS verified statistics. Annual figures have been corrected as and when SARS issues amended reports.

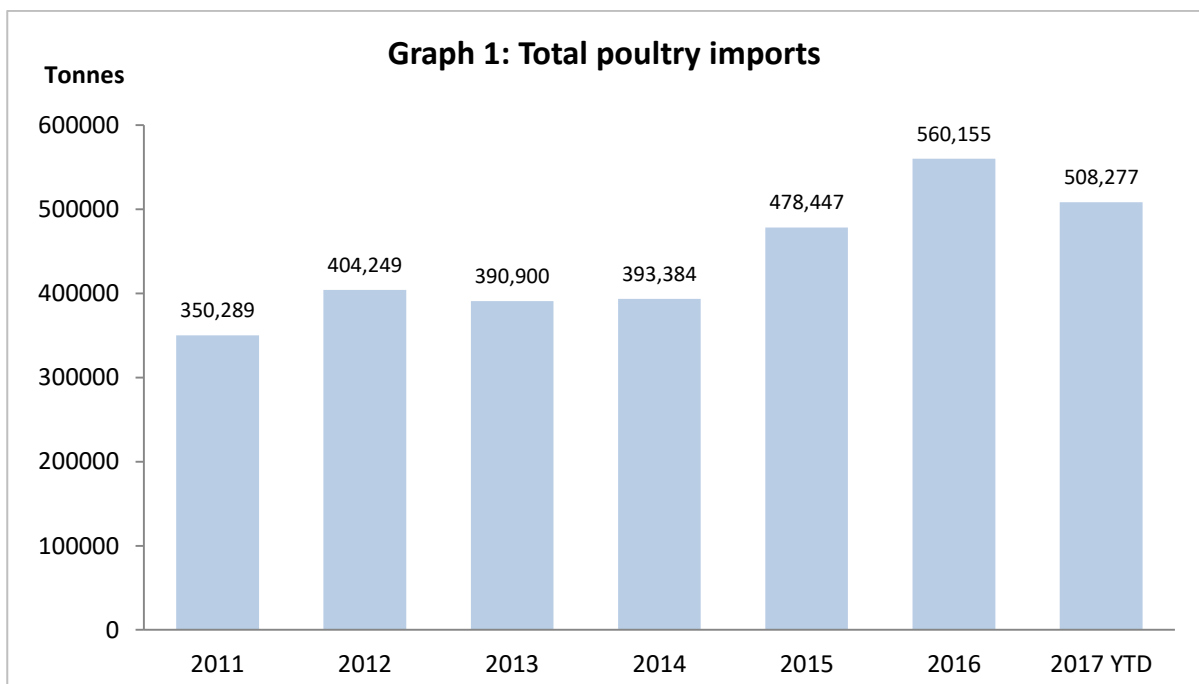
In **February 2015**, changes were made by SARS to the tariff codes describing imports of frozen boneless chicken cuts, frozen bone-in chicken portions and frozen chicken offal. The changes made are described under the relevant headings. These three import lines were split into several sub-lines.

If, as a regular user of this report, you would like other data included or data presented in a different format (e.g. tables), please contact us on cynthia@silverpath.co.za with your suggestions.

1. ANNUAL POULTRY IMPORTS

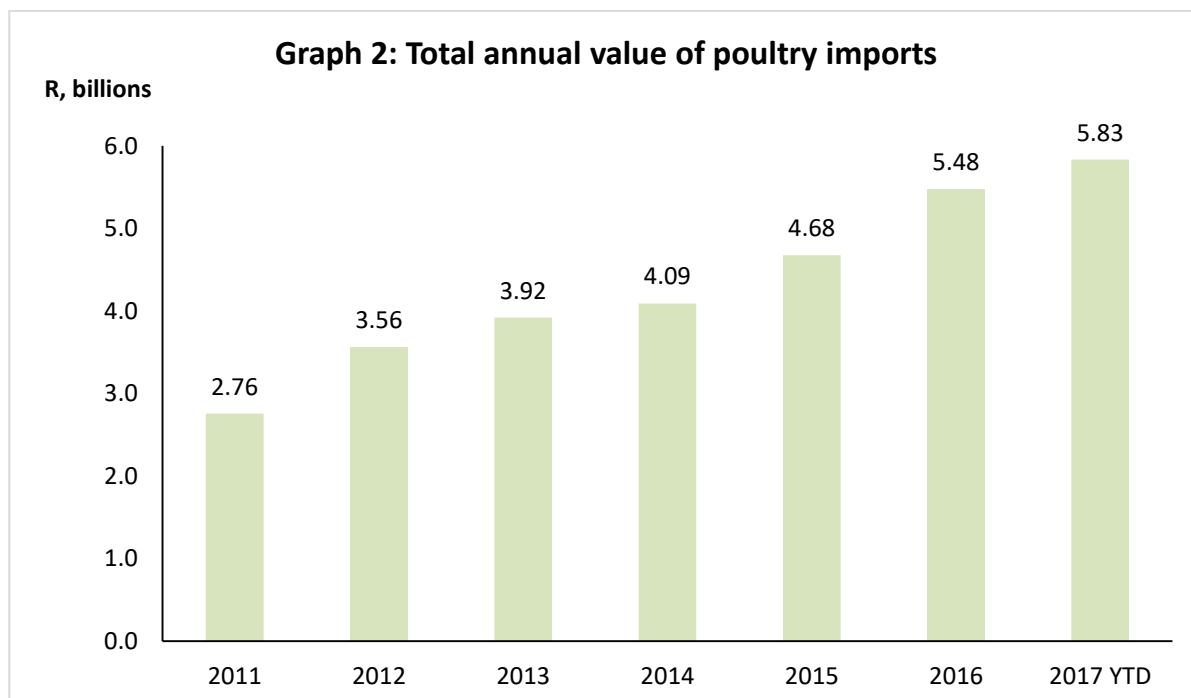
Where the term ‘poultry’ is used, this refers to chicken, turkey, ducks, geese and guinea fowl.

The SA Revenue Service reports that total poultry imports for 2016 amounted to 560 155 t; an increase of 81 708 t, or 17.1 %, in comparison with 2015 (478 447 t). If it had not been for the effect of AI-related trade bans on December imports, 2016 imports would have been 20 % higher than in 2015. Imports in the 1H 2017 were 5 % less than in the 1H 2016; but were 24 % higher than the 5-year average for this six-month period (January to June, 2012 – 2016). Imports to November 2017 are shown in Graph 1.

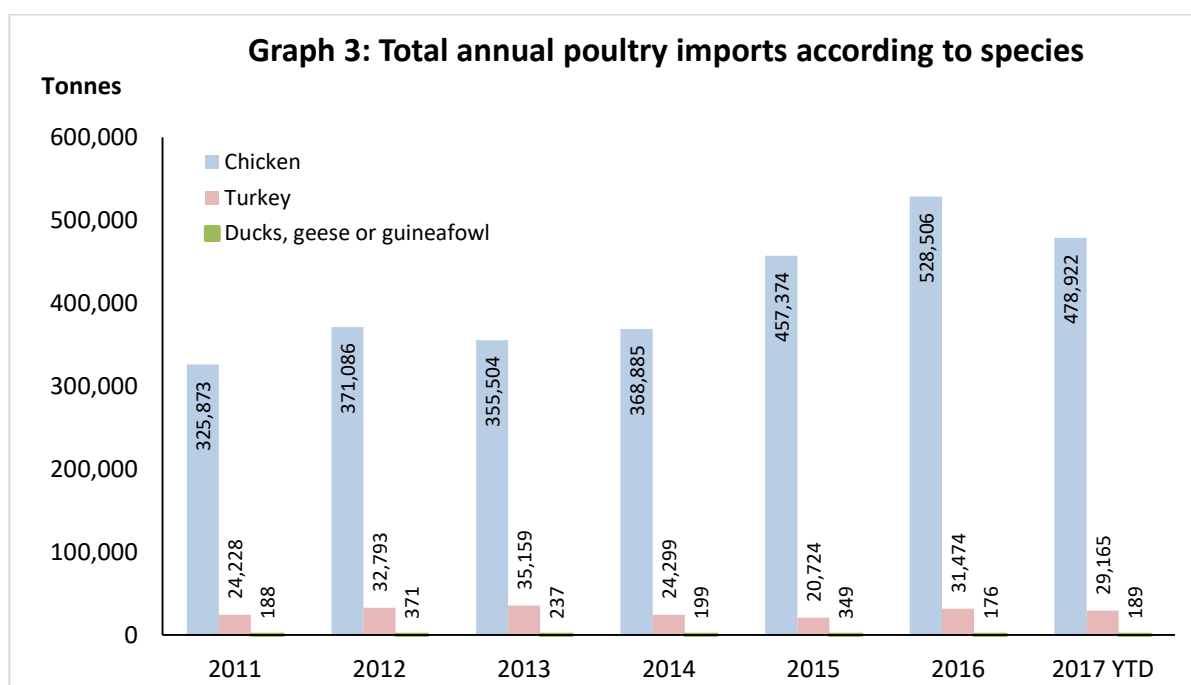


On an FOB basis, the value of imports for 2016 amounted to R5.48 billion. The FOB value of poultry imports increased by R0.804 billion (17.2 %) over the 2015 value (R4.68 billion).

The total annual value of poultry imports into South Africa is given in Graph 2:



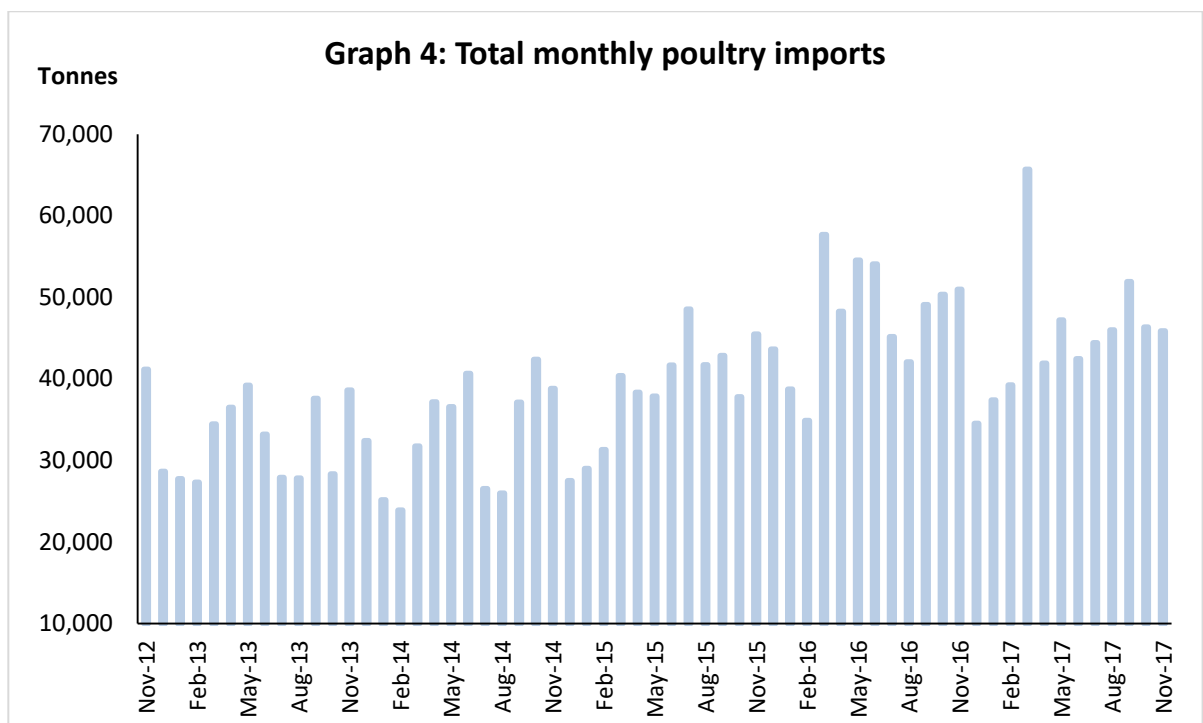
In 2016, chicken imports contributed 94.4 % to total poultry imports, turkey imports 5.6 % and ducks, geese or guinea fowl totalled 0.03 %. Annual imports according to the category of species (chicken, turkey or ducks, geese and guinea fowl) are shown in Graph 3:



2. MONTHLY POULTRY IMPORTS

2.1 Monthly poultry imports in volume and value terms

In December 2016, poultry imports decreased dramatically by 32.2 % on a monthly basis because of a raft of AI-related trade bans against EU nations. In January and February 2017, poultry imports recovered somewhat as markets adjusted, to 37 375 t and 39 212 t, respectively. March imports then rocketed to record highs of 65 658 t. Tonnages have run above 40 000 t but below 52 000 t, April through October. In November 2017, 45 875 t of poultry meat were imported; 473 t less than in the previous month (- 1.0 %; Graph 4). Poultry imports were valued at R563.4 million (FOB); up R10.6 m on October 2017 levels (+ 1.9 %). Compared to the same month last year, imports dropped by 5 081 t (- 10.0 %), but in, value terms, increased by 2.0 % or R10.97 m.



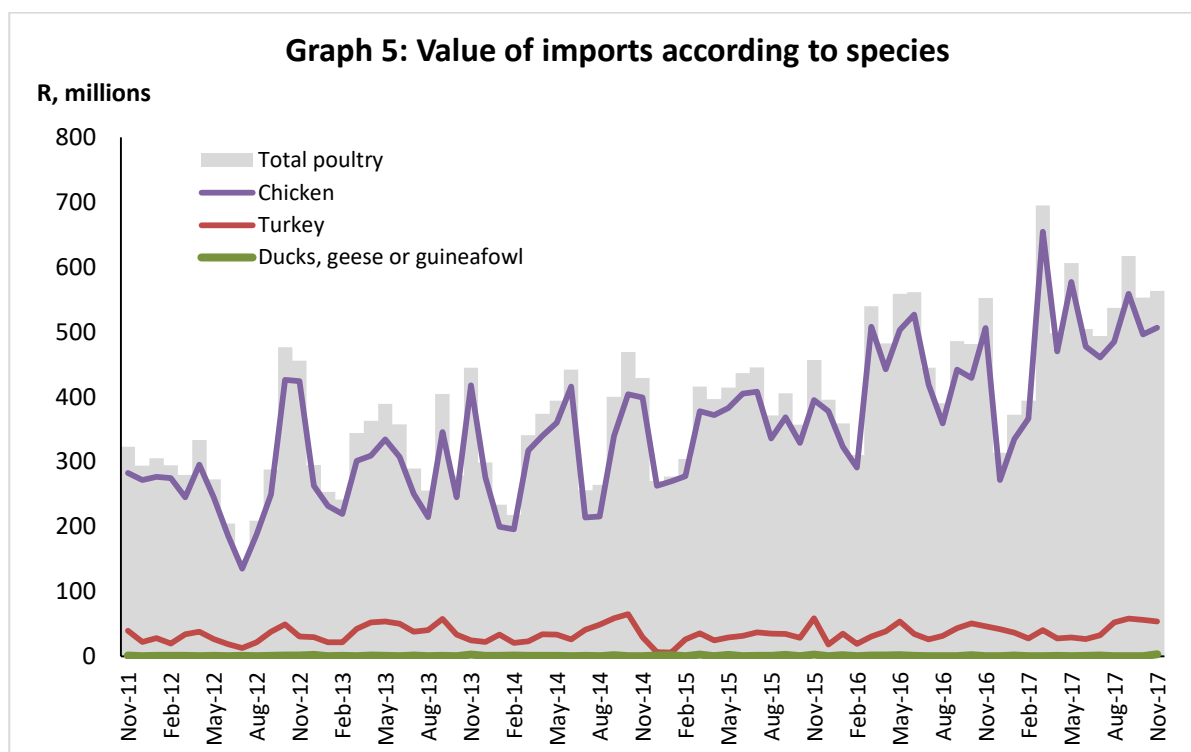
2.2 Classification of poultry imports into chicken, turkey and other poultry imports, according to volume

During November 2017, poultry imports consisted of 94.3 % chicken meat and product, 5.5 % turkey meat and product; and 0.15 % ducks, geese and guinea fowl.

2.3 Classification of poultry imports into chicken, turkey and other poultry imports, according to FOB value

The FOB value of R563.4 million for poultry imports for November 2017 comprises chicken imports at R506.55 million (89.9 %), turkey imports at R 53.6 m (9.5 %) and imports of other types of poultry at R3.2 million (0.58 %).

The monthly distribution of the FOB value for poultry imports, according to species, can be seen in Graph 5:



Total annual imports per poultry type (kg) are given in the table below:

Unit: kg	2012	2013	2014	2015	2016	2017 YTD
Total chicken	371 000 726	354 877 182	368 804 925	457 373 523	528 505 515	478 922 346
Total turkey	33 061 290	35 234 166	24 299 423	20 724 145	31 473 540	29 165 336
Total other	372 467	275 301	197 878	349 143	175 723	189 080
Total poultry	404 434 483	390 386 647	393 302 228	478 446 811	560 154 778	508 276 762

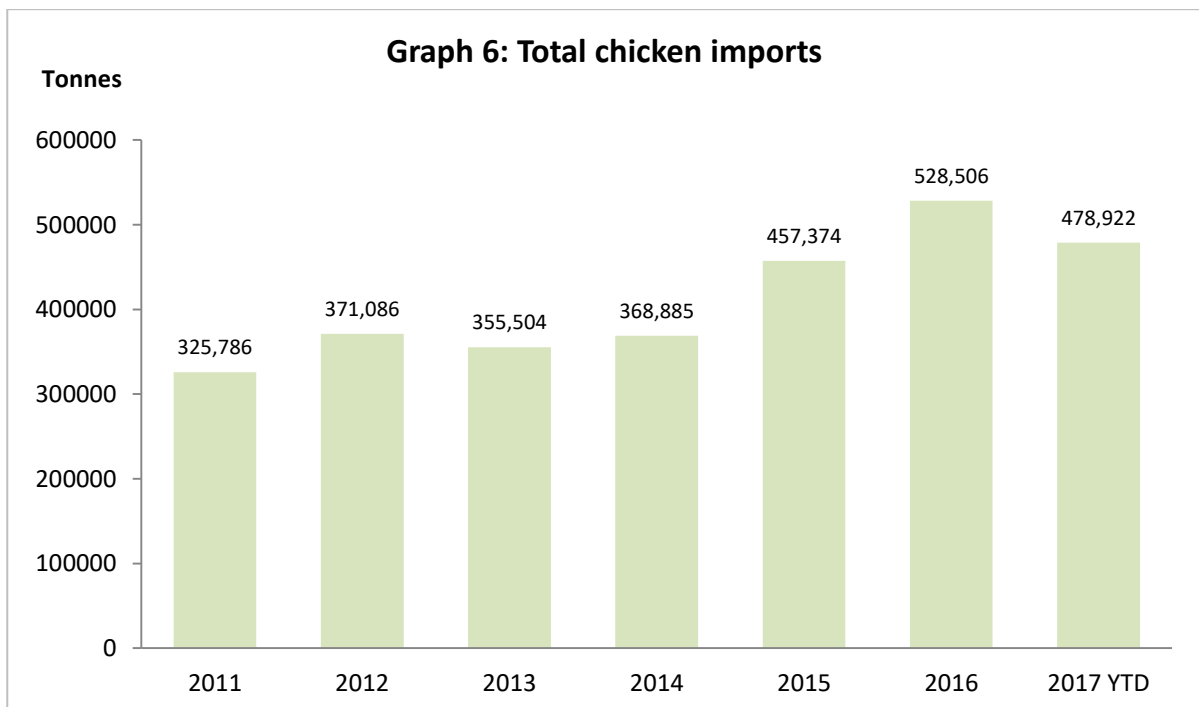
Source: SARS verified

3. BROILER IMPORTS

3.1 Annual broiler imports

According to the audited figures of SARS, the annual broiler imports for 2016 totalled 528 506 tonnes. This is 71 132 t more than in 2015 (+ 15.6 %; on 457 374 t). Broiler imports for 2017 YTD are included in Graph 6.

Imports for 1H 2017 totalled 258 441 t; 5.6 % lower than in the 1H 2016 but 23.3 % higher than in 1H 2015.



According to the audited figures of SARS (verified), the total annual broiler imports were:

Unit: kg	2012	2013	2014	2015	2016	2017 YTD
Total chicken	371 000 726	354 877 180	368 804 925	457 373 523	528 505 515	478 922 346
Total frozen broiler	369 922 597	354 265 914	368 201 525	456 954 268	528 108 226	478 195 896
Total fresh chicken	49 488	50 767	5 491	48 840	0	28 314
Total processed	1 028 641	560 499	597 909	370 415	397 289	698 136

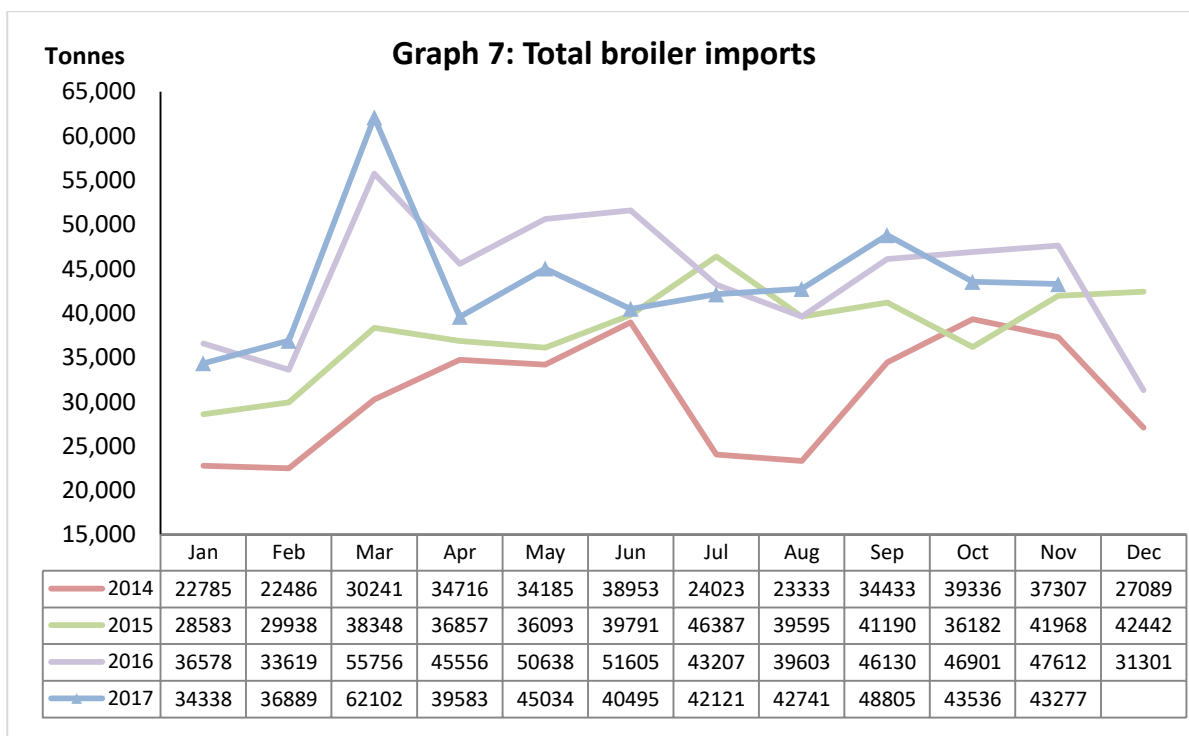
Note: Sept 2015; this table was updated to move imports under 0207.1300 into fresh product.

Unit: kg	2012	2013	2014	2015	2016	2017 YTD
Total frozen broiler	369 922 597	354 265 914	368 201 525	456 954 268	528 108 226	478 195 896
Total frozen broiler excl. MDM	238 605 443	212 006 932	221 218 214	277 063 358	332 854 759	288 685 336
Total broiler MDM	131 317 154	142 258 982	146 983 311	179 890 910	195 253 467	189 510 560

Note: Sept 2015; this table was audited and corrected.

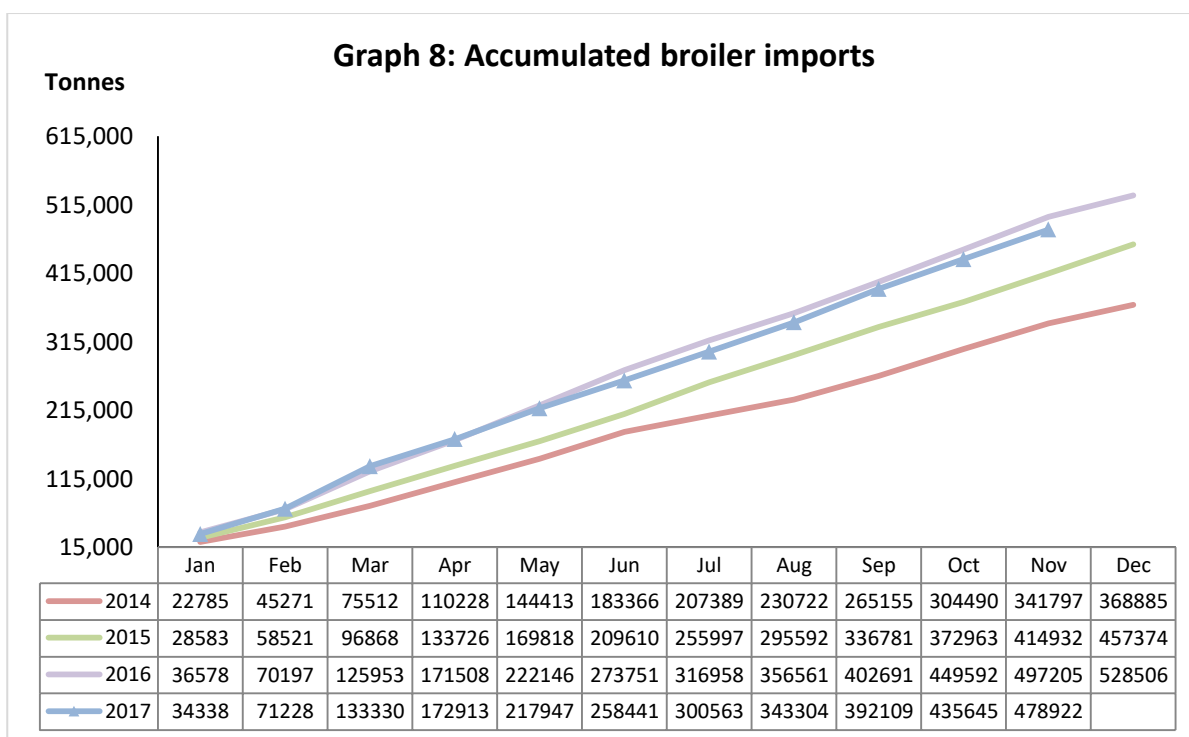
3.2 Monthly broiler imports

Broiler imports for November 2017 totalled 43 277 t. This is a decrease of 0.6 % on a monthly basis (- 259 t) and a decrease of 4 335 t or 9.1 % when compared to the same month in the previous year. Total broiler imports, on a monthly basis from January 2014, are shown in Graph 7:



3.3 Accumulated broiler imports in terms of volume

Accumulated broiler imports at the end of 2015 were 88 569 t or 24 % higher than in December 2014. Accumulated broiler imports at the end of 2016, in turn, were 71 132 t or 15.6 % higher than in December 2015. Accumulated broiler imports for 2017 YTD are shown in Graph 8, along with accumulated import volumes for the past three years.



Accumulated imports for 2017 YTD are 3.7 % lower than in the equivalent period in 2016.

Distribution of broiler imports in terms of the main products imported (% total *chicken* imports):

Tariff	September %	October %	November %
Mechanically deboned meat 0207.1210	40.9	42.7	33.3
Carcasses 0207.1220	3.6	2.6	1.5
Whole frozen chicken 0207.1290	0.4	0.9	0.3
Frozen (boneless portions) 0207.1410 – 1415	3.5	3.7	4.2
Frozen fowls offal 0207.1421/23/25/29	9.9	10.7	7.6
Poultry (bone-in portions) 0207.1491/93/95 - 99	41.5	39.2	53.0

3.4 Accumulated broiler imports in terms of FOB value

During November 2017, broiler imports to an FOB value of R506.55 m entered the country. This is a 2.1 % increase on October 2017 levels (+ 10.3 m) and a 0.8 % increase over levels recorded in the same month a year ago (+ R0.42 m). The accumulated value of imports of broiler products during 2016 was R5.02 billion; a 16.8 % increase over 2015 broiler imports (R4.3 billion). The accumulated value of broiler products in 2017 YTD is R5.39 billion; up 13.4 % over the same eleven-month period in 2016.

3.5 Imports under different tariffs

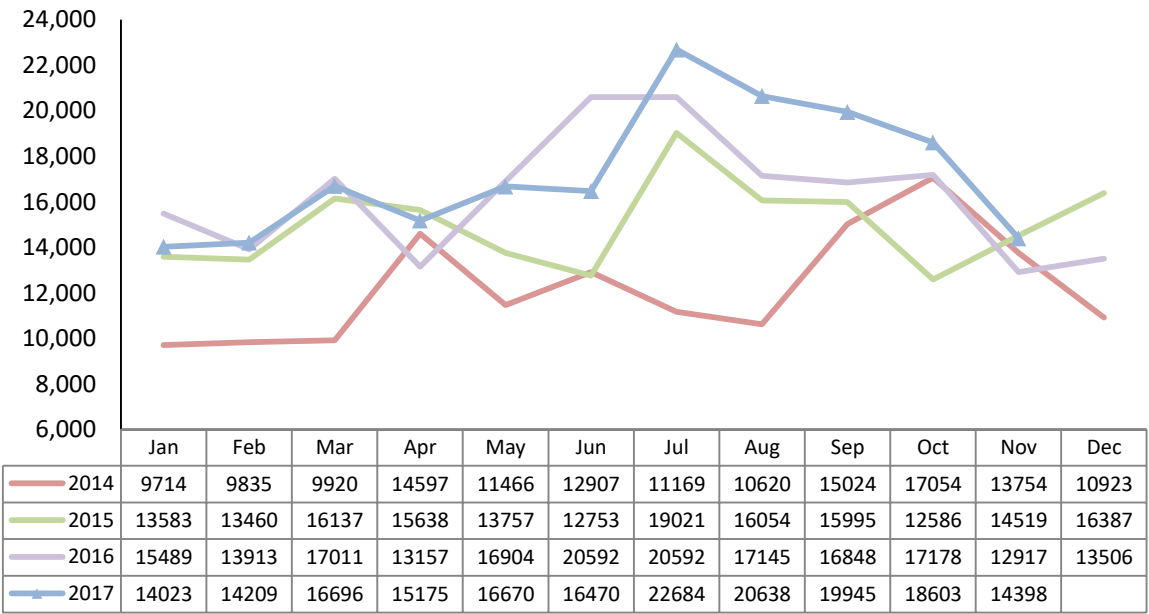
3.5.1 Imports of frozen mechanically de-boned meat (MDM)

This is tariff code 0207.1210 that was introduced in November 2011, in part replacing the discontinued tariff 0207.1405. This code remained unchanged in SARS' most recent adjustments to tariff codes (effective 1 Feb 2015). In November 2017, a total of 14 398 t were imported at an FOB of R73.6 m (Graph 9); a decrease of 4 205 t, or 22.6 %, on a monthly basis but an increase of 1 481 t, or 11.5 %, on a yearly basis (compared to November 2016). The total annual imports of frozen, mechanically deboned meat over the past seven years are shown in Graph 10.

Accumulated tonnages of imported frozen, mechanically deboned meat over the past 4 years are shown in Graph 11, below. During 2015, a total of 179 891 t were imported at an FOB of R722.9 m. In 2016, accumulated imports of MDM (195 253 t) were 8.5 % (+ 15 363 t) higher than 2015 (FOB R825 million). For 2017 YTD, accumulated imports of MDM are 4.3 % higher than in the first 11 months of 2016 (+ 7 763 t).

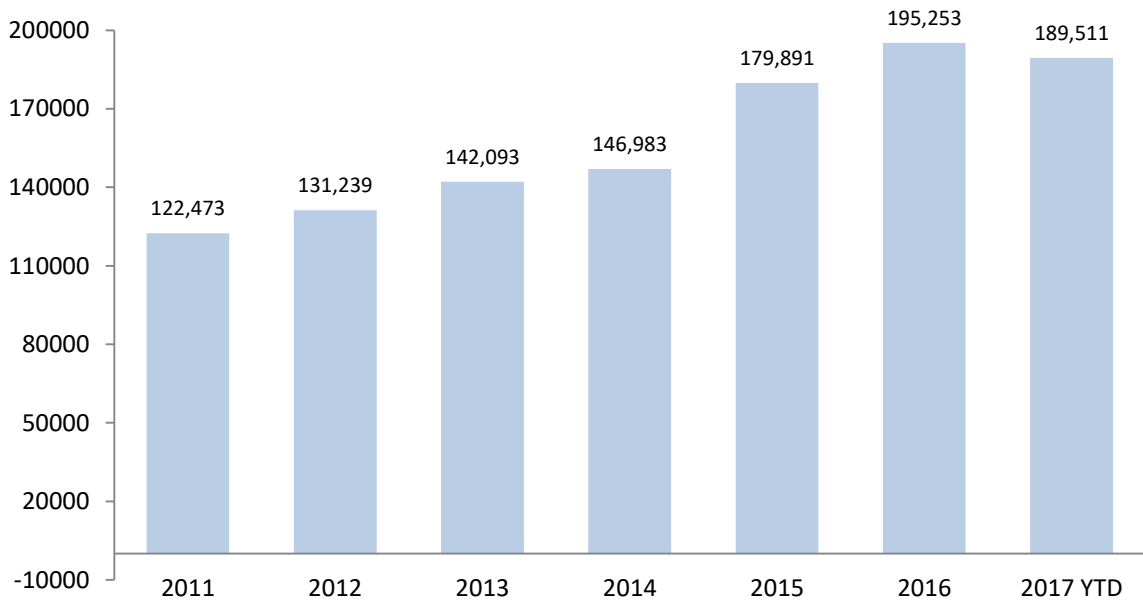
Graph 9: Imports of frozen MDM

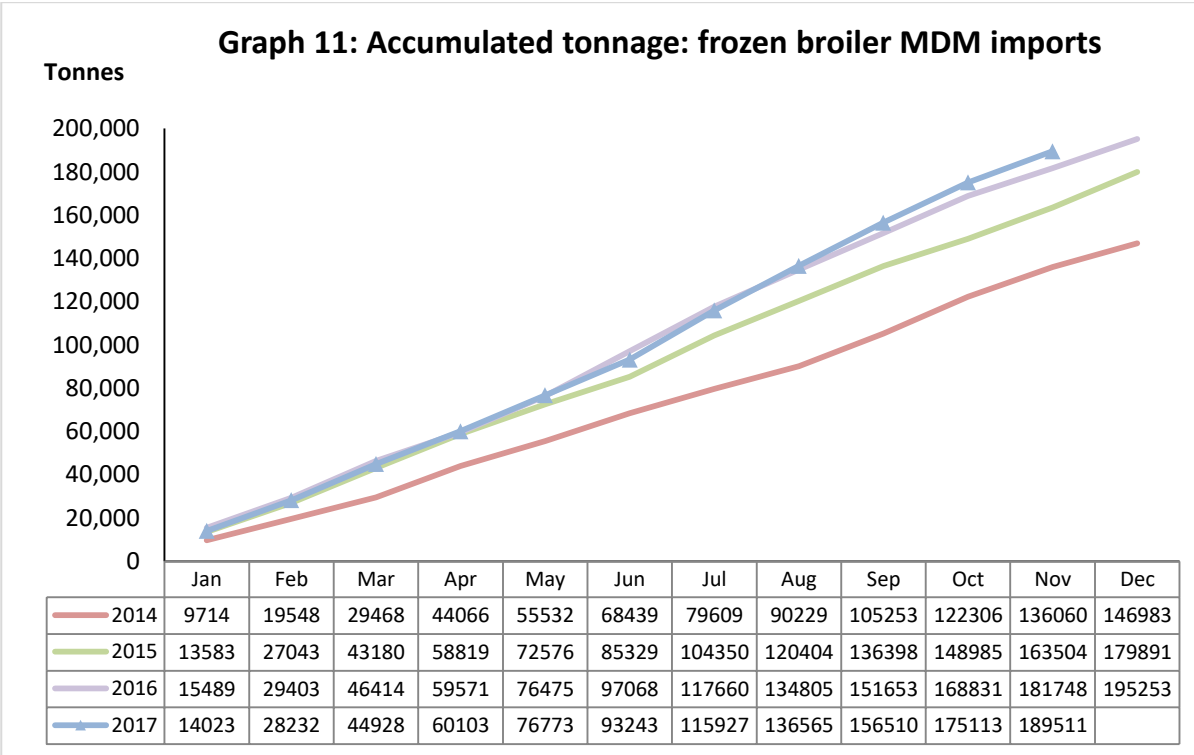
Tonnes



Graph 10: Annual imports of frozen MDM

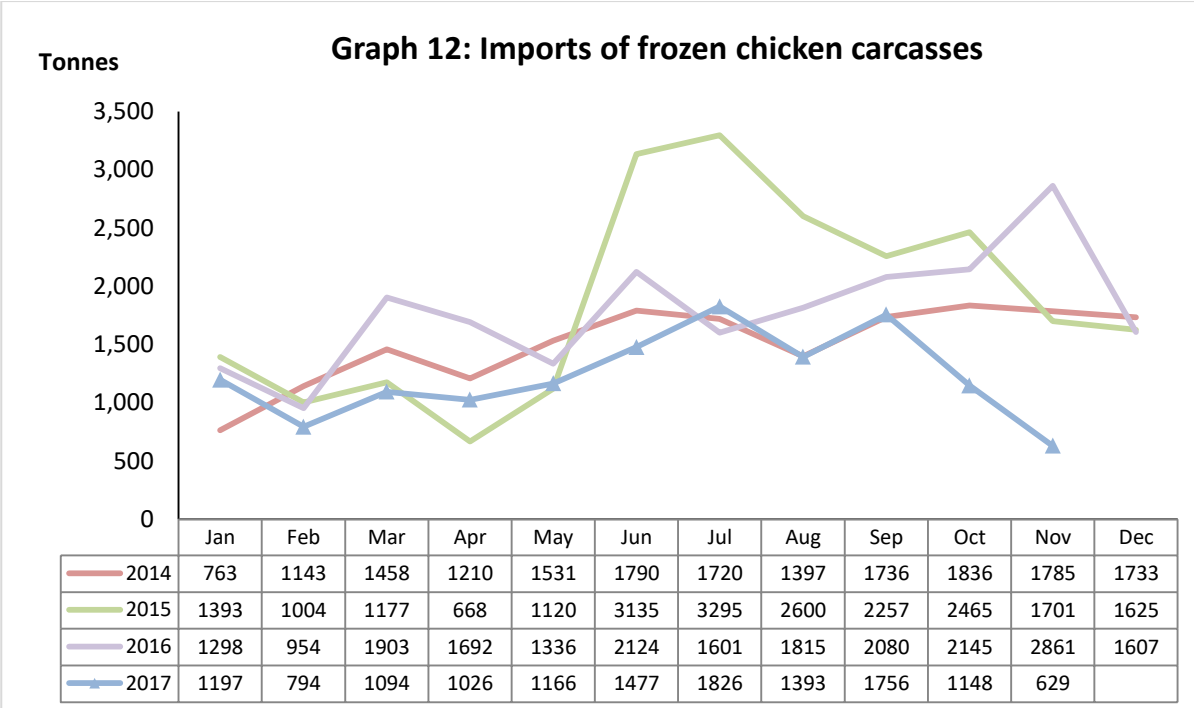
Tonnes





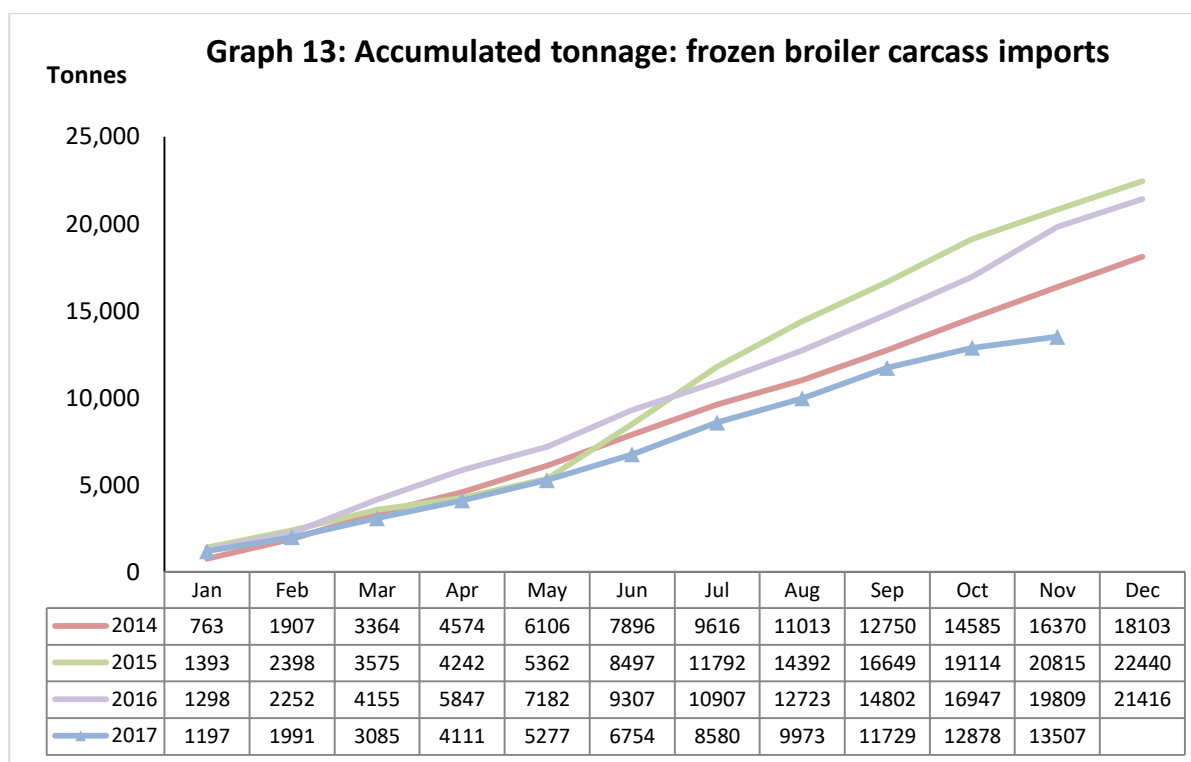
3.5.2 Imports of carcasses (excluding necks and offal) with all cuts removed

This is tariff code 0207.1220, which was implemented in February 2012. This tariff code remained unchanged in SARS' last adjustments to tariff codes (effective 1 Feb 2015).



During November 2017, a total of 629 t of carcasses was imported at an FOB of R3.5 m (Graph 12, above). This is 519 t (- 45.2 %) less than in October and, on a yearly basis, is down by 2 232 t (- 78 %).

Accumulated tonnages of imported frozen chicken carcasses over the past 4 years are shown in Graph 13. During 2015, a total of 22 440 t of chicken carcasses were imported at an FOB of 113.6 m. In 2016, accumulated imports of frozen chicken carcasses (21 416 t) were 1 024 t lower than in 2015 (- 4.6 %; FOB value for 2016: R91.5 million).

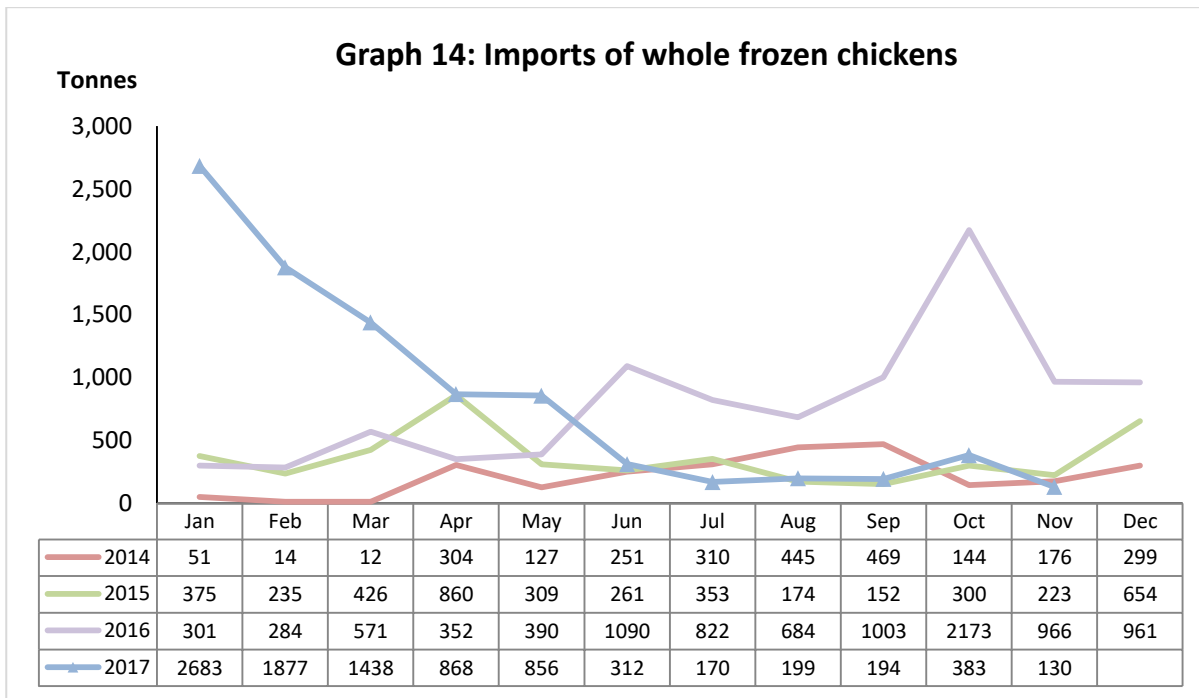


For 2017 YTD, accumulated imports of chicken carcasses are 31.8 % lower than in the first 11 months of 2016 (- 6 301 t).

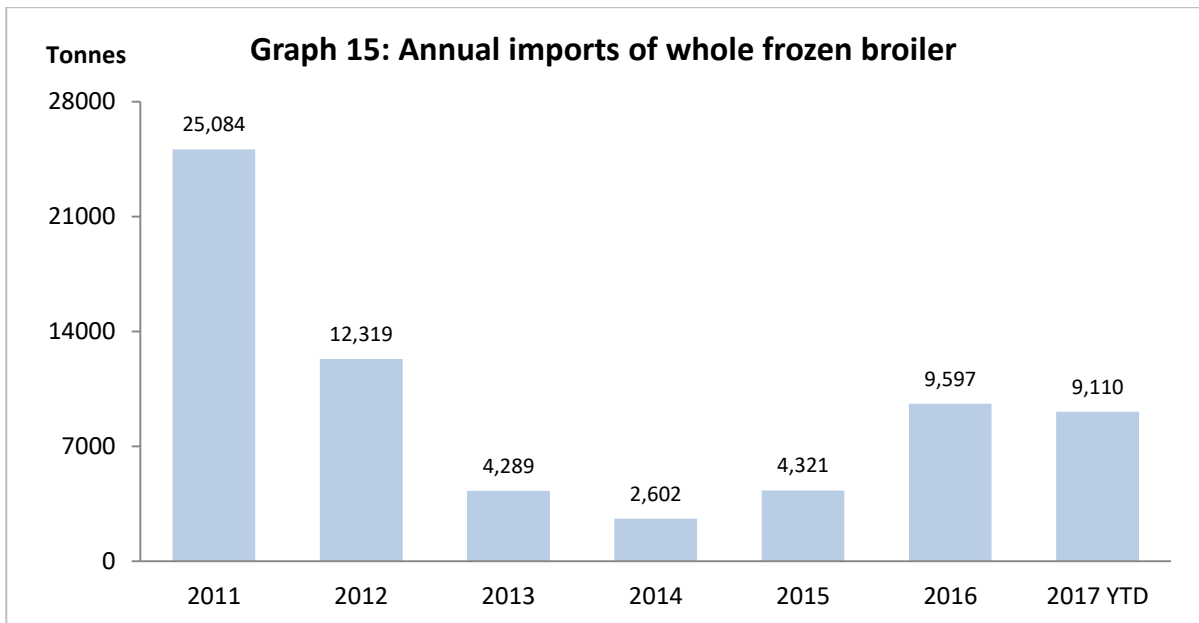
3.5.3 Imports of whole frozen chickens

This is tariff code 0207.1290 that, in part, replaced the discontinued tariff 0207.1405 (along with tariff code 0207.1210). Under this tariff heading, the following may be imported: whole chicken A grade; whole chicken B grade; whole hens (spent layers and Cornish hens).

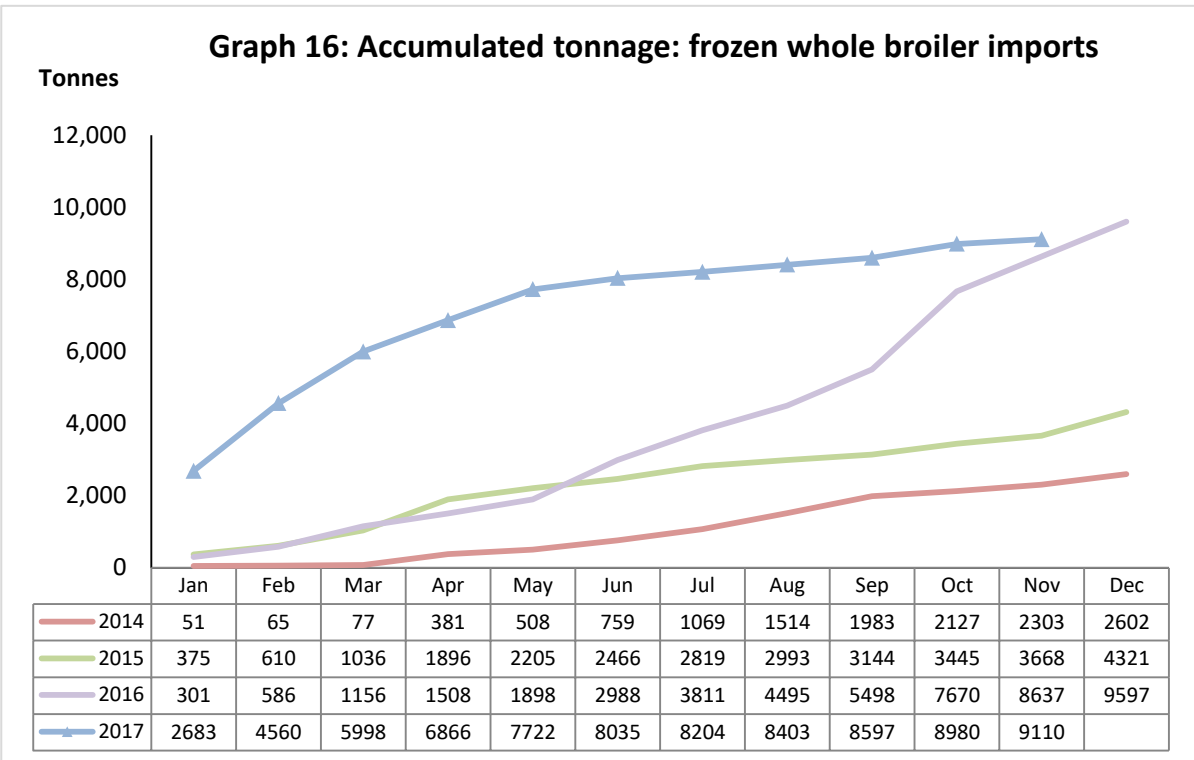
This tariff code remained unchanged in SARS' last adjustments to tariff codes (effective 1 Feb 2015), but half chickens are now imported under the tariff code 0207.1491. In November 2017, a total of 130 t of whole frozen chickens were imported at an FOB value of R2.5 m (Graph 14). This is 254 t, or 66.1 %, less than the previous month, and 86.6 % down on the levels imported during November 2016 (- 836 t).



During 2016, a total of 9 597 t were imported under this code, at an FOB value of R114.3 m (Graph 15).

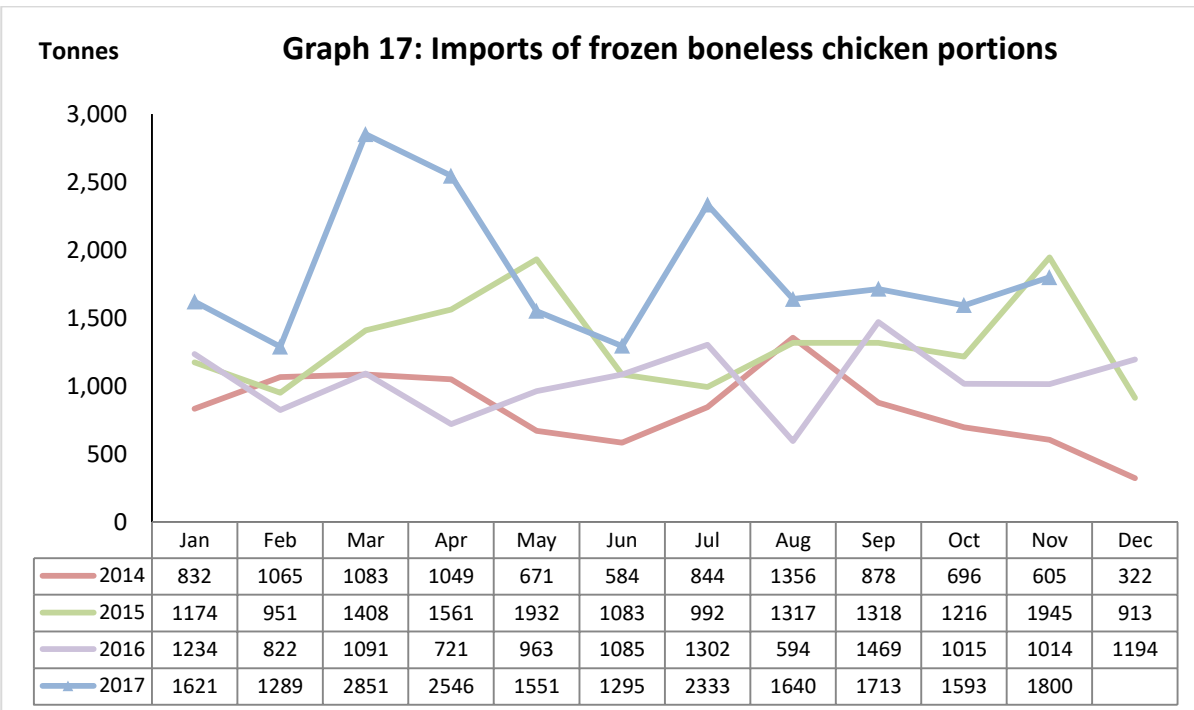


Imports of frozen whole broilers were 122 % (+ 5 276 t) higher in 2016 than in 2015. Accumulated tonnages of imported frozen, whole broilers over the past 4 years are shown in Graph 16. For 2017 YTD, accumulated imports of whole frozen broiler imports are 5.5 % higher than in the first 11 months of 2016 (+ 474 t).



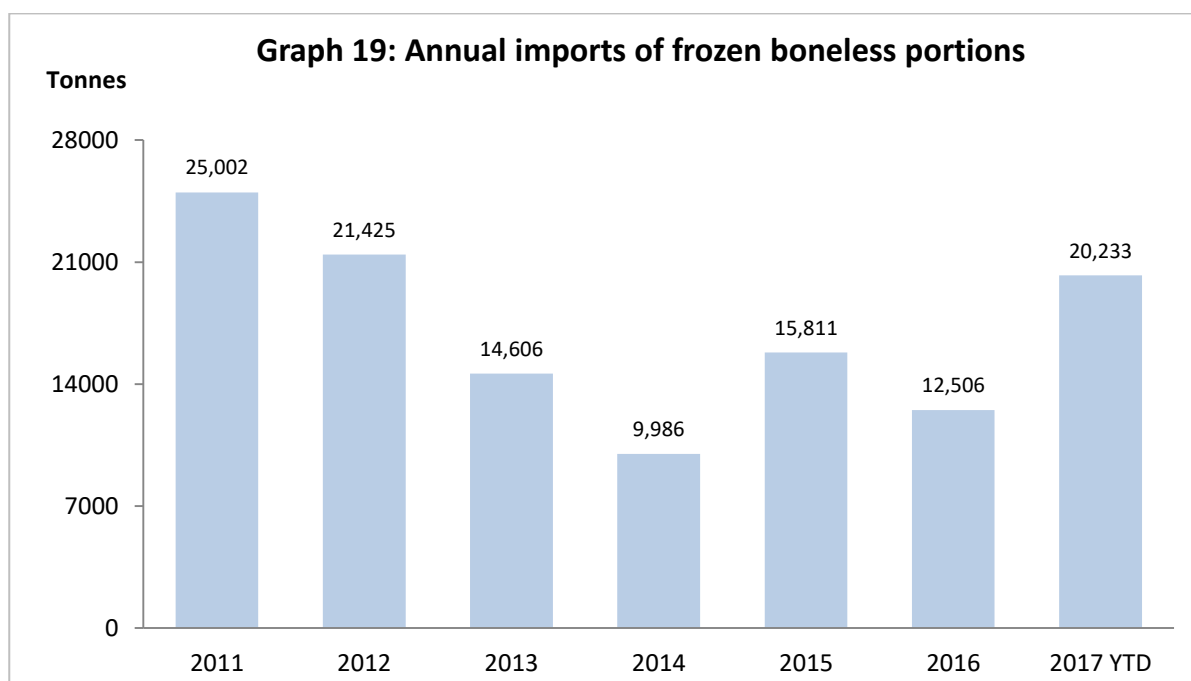
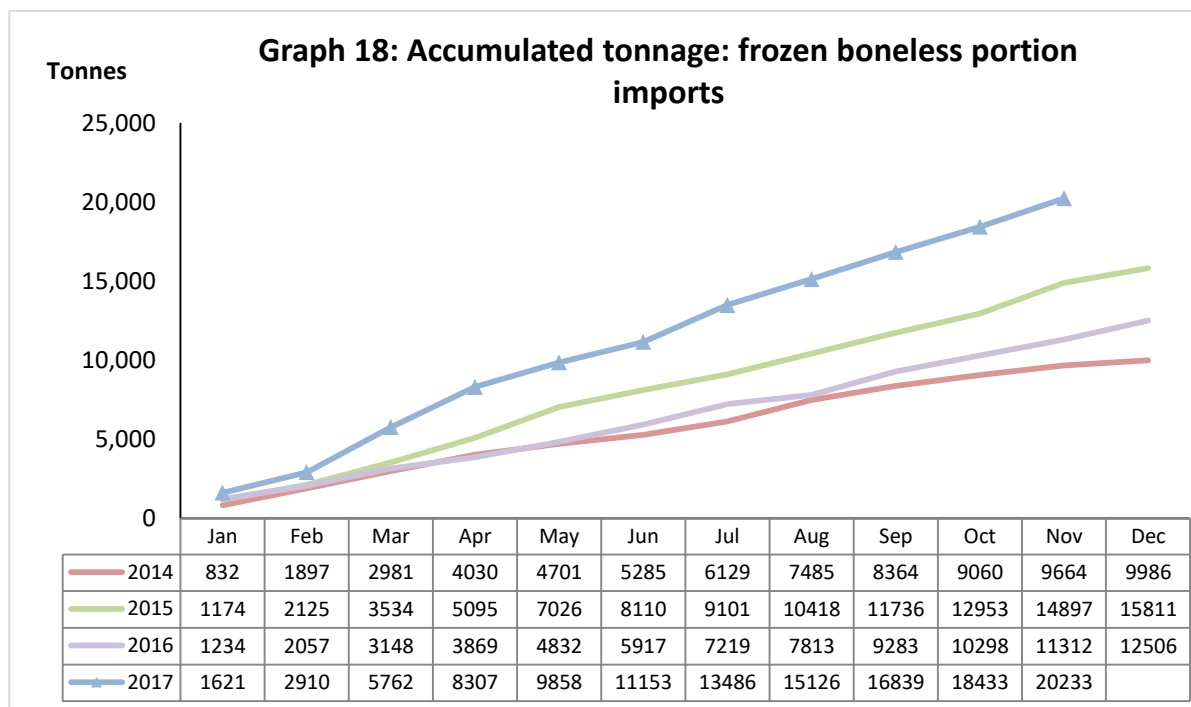
3.5.4 Imports of frozen boneless cuts

Imports of frozen boneless cuts under tariff code 0207.1410 were discontinued from February 2015. This tariff code has been split into three tariff lines for frozen, boneless cuts: 0207.1411 (breasts); 0207.1413 (thighs) and 0207.1415 (other).



For simplicity, imports under these three tariff codes have been summed, so that imports of boneless cuts through 2017 can be compared with historical data. Itemised tonnages for the three codes can be found under each country in the Country report.

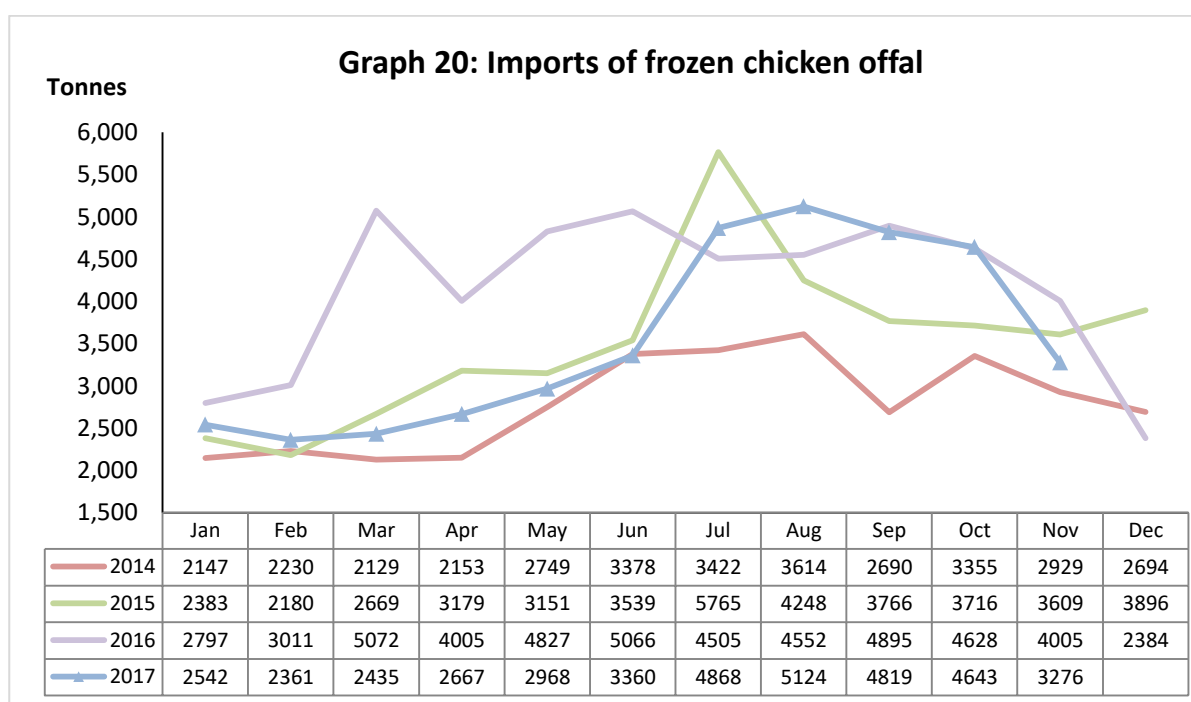
Imports of frozen boneless cuts totalled 1 800 t in November 2017, at an FOB value of R50.3 m; an increase of 13.0 % (+ 206 t) on a monthly volume basis and an increase of 77.6 % (+ 786 t) compared to November 2016 tonnes (Graph 17).



Accumulated tonnages of imported frozen, boneless chicken portions over the past 4 years are shown in Graph 18, above. A total of 15 811 t of frozen boneless cuts were imported in 2015, at an FOB value of R384.6 m. In 2016, accumulated imports of frozen chicken boneless portions (12 506 t) were 20.9 % (- 3 305 t) lower than in 2015 (Graph 19, above) and had an FOB value of R283.1 million. For 2017 YTD, accumulated imports of frozen boneless portions are 78.9 % higher than in the first 11 months of 2016 (+ 8 921 t).

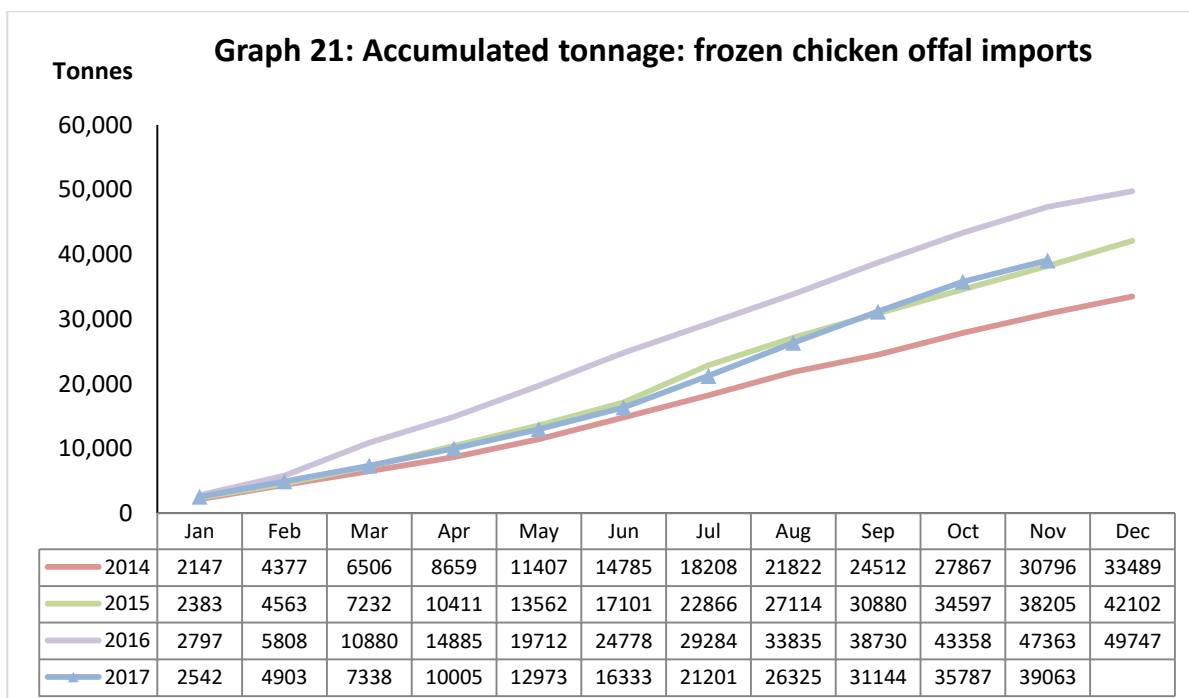
3.5.5 Imports of frozen chicken offal

Imports of frozen chicken offal under tariff code 0207.1420 were discontinued from February 2015. This tariff code has been split into four tariff lines for frozen, chicken offal: 0207.1421 (livers); 0207.1423 (feet), 0207.1425 (heads) and 0207.1429 (other). For simplicity, imports under these four codes have been summed, so that imports through 2017 can be compared with historical data. Itemised tonnages for the four codes can be found in the Country report.



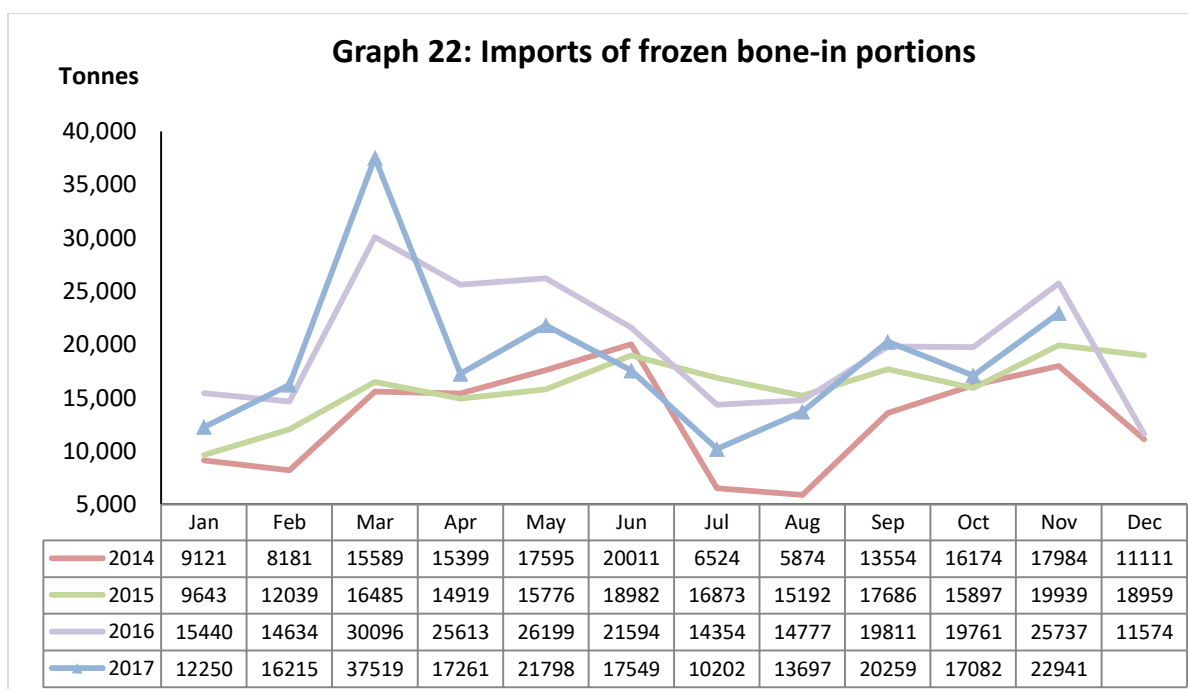
Imports of frozen chicken offal in November 2017 totalled 3 276 t at an FOB value of R32.0 m (Graph 20). This is a decrease of 29.4 % (- 1 367 t) on a monthly basis and a decrease of 18.2 % (- 729 t) when compared to imports in November 2016.

Accumulated tonnages of imported frozen, chicken offal over the past 4 years are shown in Graph 21. A total of 42 102 t were imported in 2015, at an FOB value of R266.6 m; a 25.7 % annual increase in tonnages under this code. In 2016, accumulated imports of frozen chicken offal (49 747 t) were 18.2 % higher (+ 7 645 t) than in 2015 and had an FOB value of R333.2 million. For 2017 YTD, accumulated imports of frozen chicken offals are 17.5 % lower than in the first 11 months of 2016 (- 8 300 t).



3.5.6 Imports of frozen bone-in portions (including leg-quarters)

The tariff codes relating to imports of frozen bone-in portions changed, with effect from February 2015. The old tariff code (0207.1490) was split into a number of different codes as follows, for frozen chicken bone-in portions: 0207.1491 whole chicken, cut in half; 0207.1493 leg quarters; 0207.1495 wings; 0207.1496 breasts; 0207.1497 thighs; 0207.1498 drumsticks; and 0207.1499 other portions.



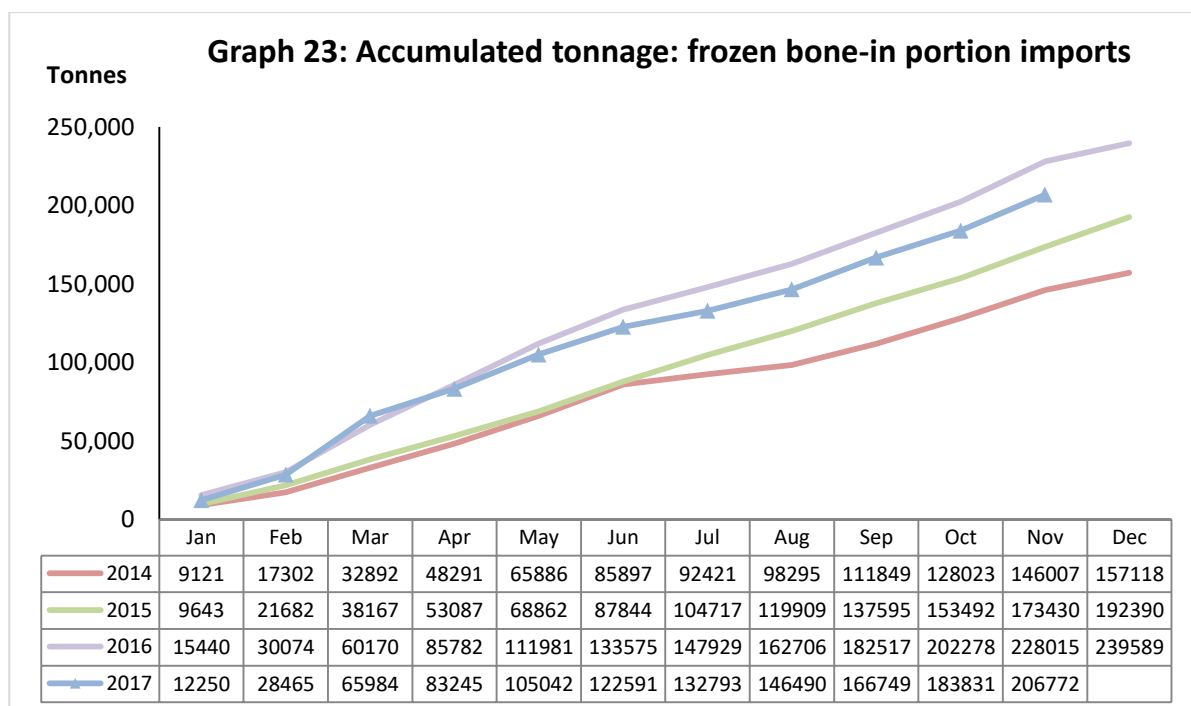
For simplicity, imports under these new tariff codes have been summed, so that imports of frozen chicken bone-in portions through 2017 can be compared with historical data. Itemised tonnages for the new codes can be found under each country in the Country report.

In November 2017, 22 941 tonnes of frozen chicken bone-in portions were imported. November's imports are 34.3 % up in comparison with the previous month (+ 5 859 t); and had an FOB value of R341.3 million (Graph 22, above). November's imports decreased by 10.9 %, or 2 796 t, on a yearly basis.

Of the 206 772 tonnes of bone-in portions imported in 2017 YTD, 72.1 % were leg quarters; 12.4 % drumsticks; 8.4 % wings; 3.6 % thighs; and 3.4 % other bone-in cuts. Only 24 t of "whole chickens, cut in half" and 119 t of bone-in breasts have been imported in 2017 YTD.

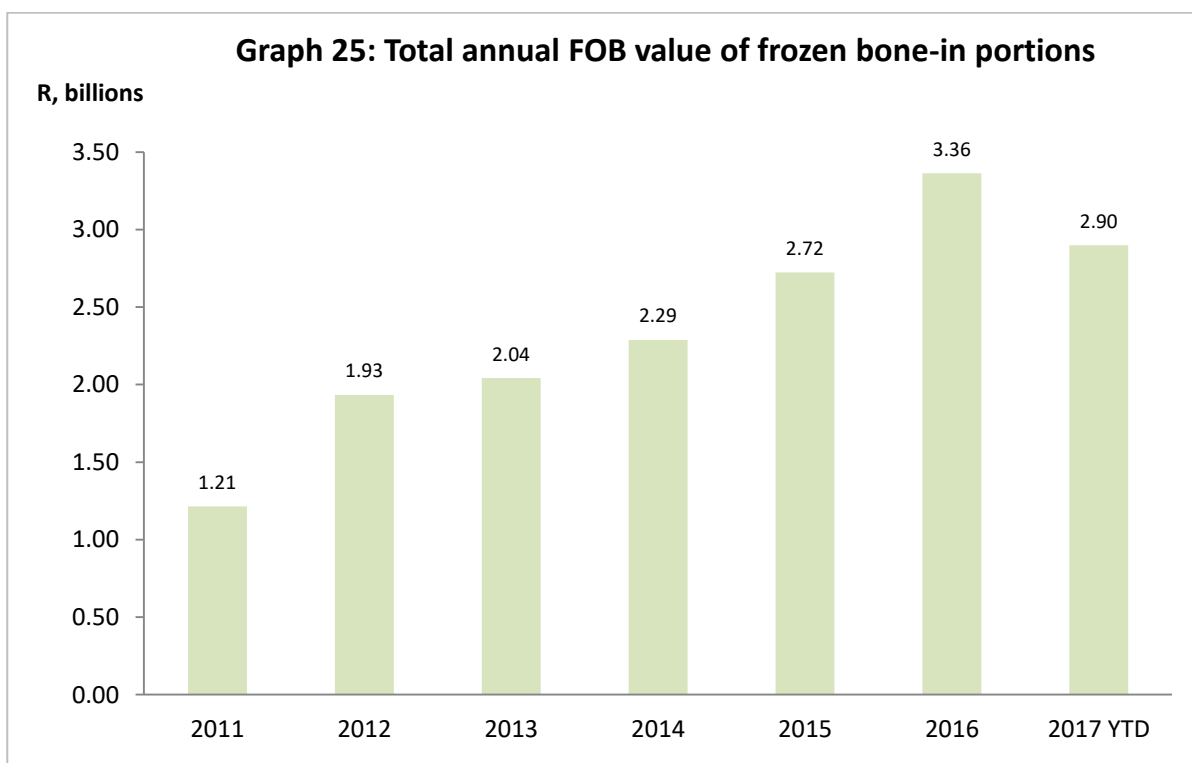
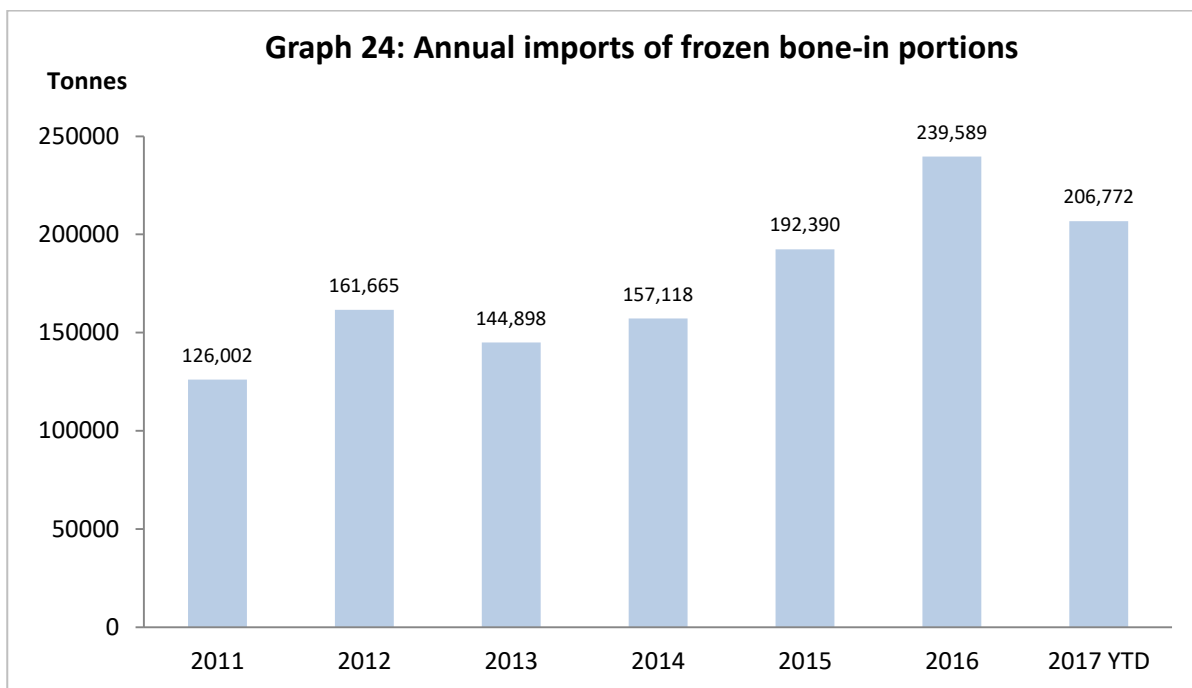
Accumulated tonnages of imported frozen, bone-in portions over the past 4 years are shown in Graph 23.

Through 2016, accumulated imports of frozen bone-in portions exceeded levels in the preceding three years (2013 – 2015; 2013 not shown). The total imports of bone-in portions for 2015 were 192 390 t at an FOB value of R2.72 billion. This was a 22.4 % increase over 2014 tonnages (157 118 t), even with the temporary import bans in place against the US, the Netherlands, the UK and Germany, in response to outbreaks of avian influenza.



In 2016, accumulated imports of frozen chicken bone-in portions (239 589 t) were 24.5 % (+ 47 199 t) higher than in 2015 (Graph 24) and had an FOB value of R3.363 billion, Graph 25).

For 2017 YTD, accumulated imports of frozen bone-in portions (206 772 t) are 9.3 % lower than in the first 11 months of 2016 (- 21 243 t) - only because of the avian influenza-related trade bans in place against the affected EU nations.

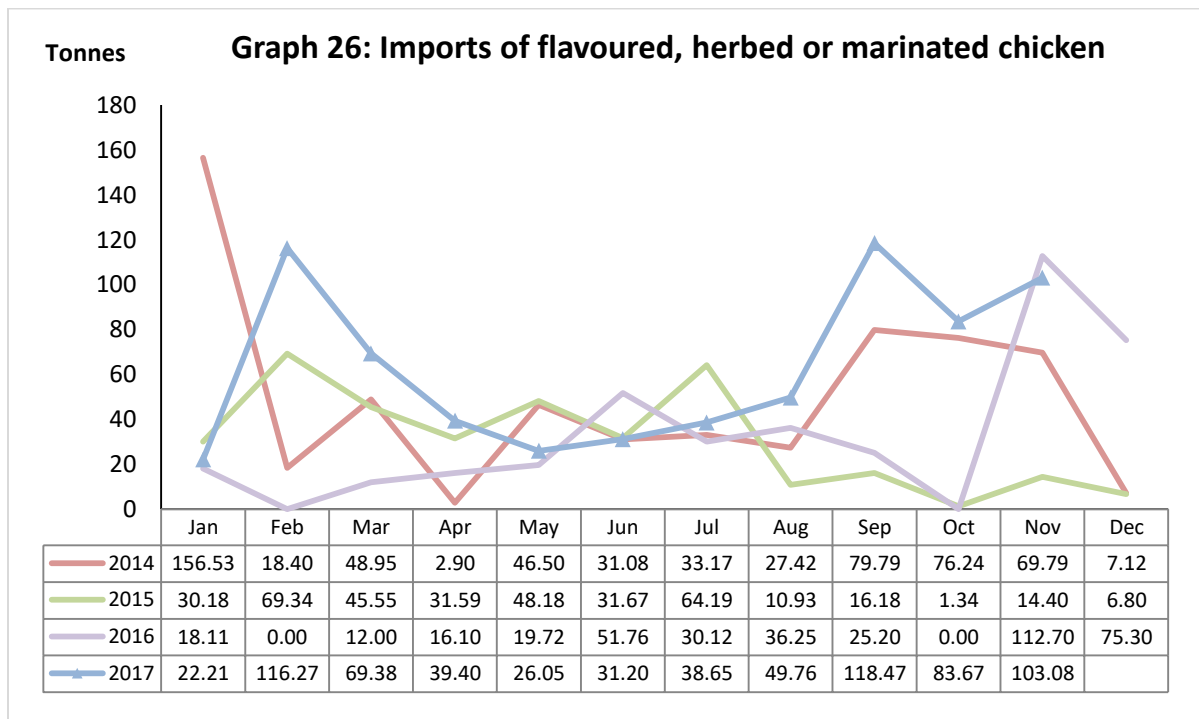


3.5.7 Imports of frozen flavoured, herbed or marinated chicken.

According to SARS, in November 2017, 103 t of value-added products (1602.3290) were imported into South Africa (Graph 26) at an FOB value of R3.3 million. In October 2017, 83.7 t of flavoured, herbed or marinated chicken were imported and, in November 2016, 112.7 tonnes were recorded under this tariff.

During 2015, 370.4 t were imported under tariff code 1602.3290, at an FOB value of R17.4 m and in 2016, 397.3 t were imported at an FOB value of R11.6 million.

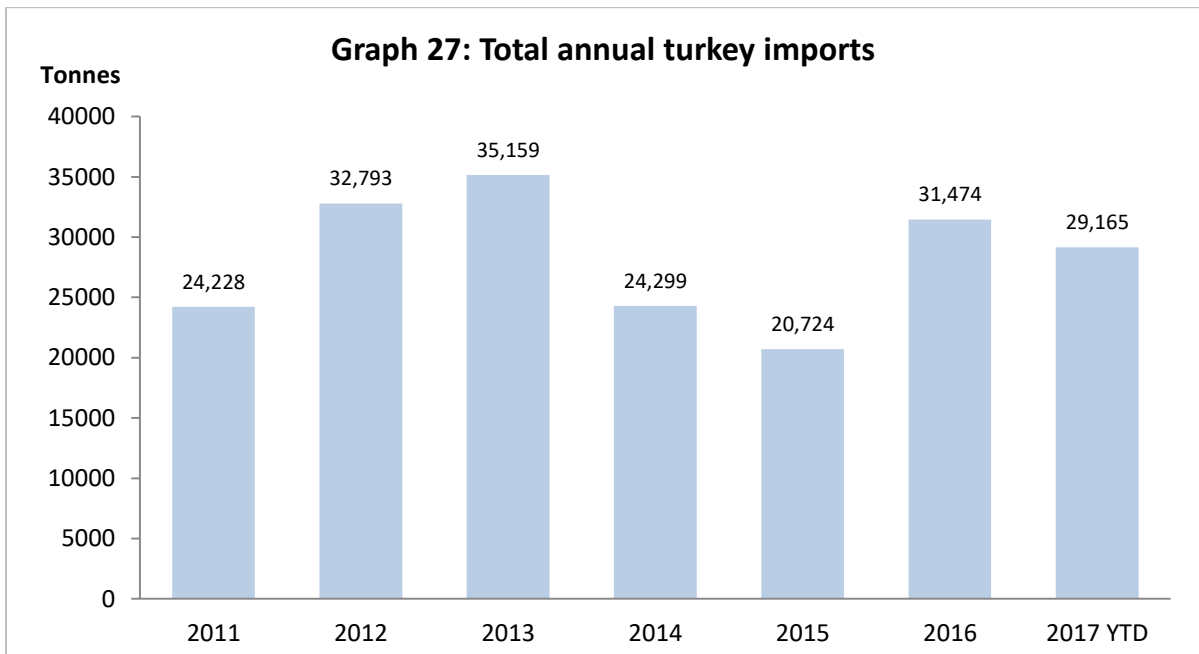
For 2017 YTD, accumulated imports of value-added chicken products total 595 tonnes; 117 % higher than in the first 11 months of 2016 (+ 376 t).



4. TURKEY IMPORTS

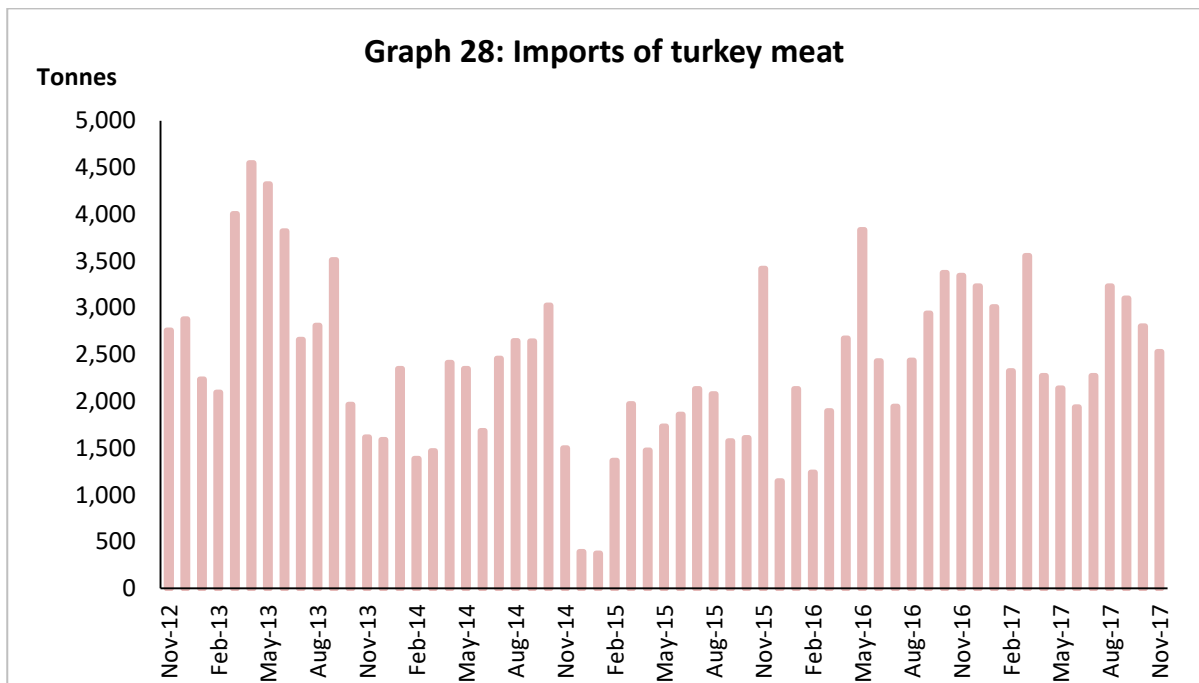
4.1 Annual turkey imports

During in 2016, a total of 31 474 tonnes of turkey meat entered the country (FOB value R450.8 million). This was 51.9 % more than in 2015 (20 724 t, at an FOB value of R364 m (Graph 27)).



4.2 Monthly turkey imports

In November 2017, a total of 2 529 t of turkey meat (all tariff lines) were imported at an FOB of R53.6 m (Graph 28). This is a decrease of 272 t on October 2017 levels (- 9.7 %), and a decrease of 813 t on November 2016 levels (- 24.3 %). For 2017 YTD, accumulated imports of turkey products (29 165 t) are 3.3 % higher than in the first 11 months of 2016 (+ 923 t).

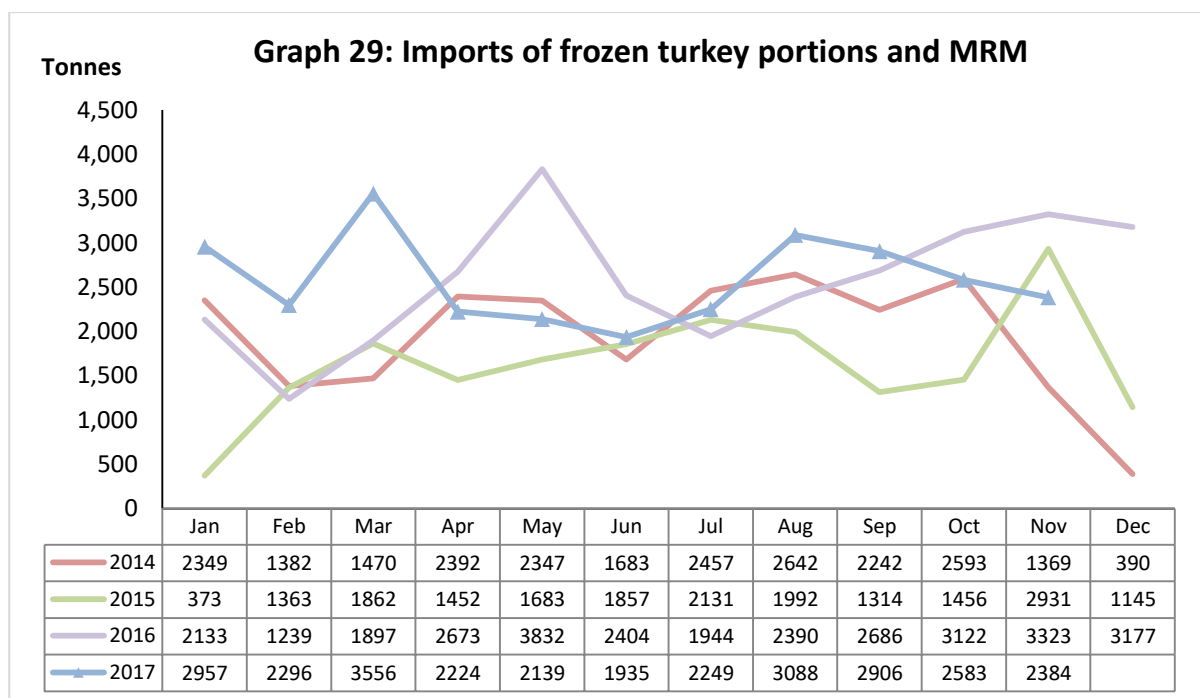


4.3 Imports of frozen turkey portions and MRM, cuts and offal

Imports of frozen turkey portions under tariff code 0207.2700 made up 94.3 % of total turkey imports in November 2017. The remainder comprised 145 tonnes of whole frozen turkeys (0207.2500). Import levels under the tariff code 0207.2700 decreased by 199 t (- 7.7 %) on a monthly basis, and decreased by 28.3 % or 939 t compared to November 2016 (Graph 29). Imports in November totalled 2 384 t, at an FOB value of R48.7 m.

A total of 30 820 t were imported under this code in 2016, at an FOB of R423.7 m. For 2016, accumulated imports of frozen turkey cuts and offal were 57.6 % higher than in 2015.

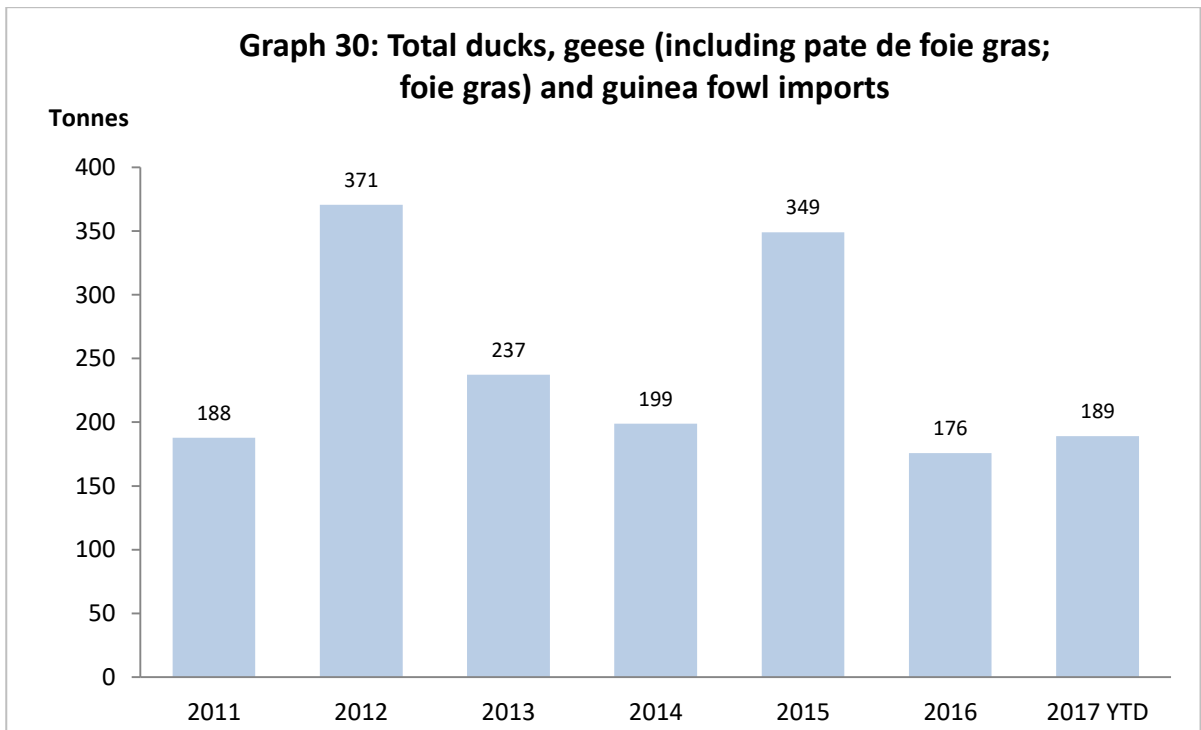
For 2017 YTD, accumulated imports of frozen turkey portions and MDM (28 316 t) are 2.4 % higher than in the first 11 months of 2016 (+ 673 t).



5. DUCKS, GEESE AND GUINEA FOWL IMPORTS

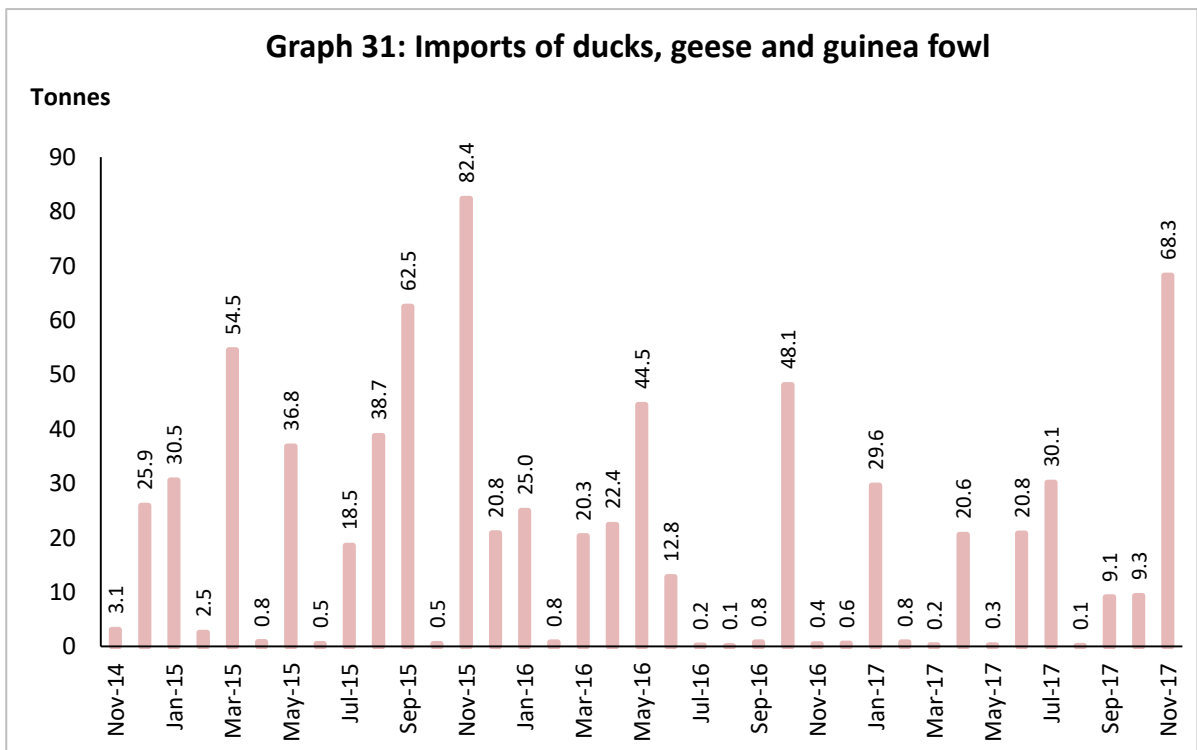
5.1 Annual

The imports of ducks, geese or guinea fowl contributed 0.03 % of total poultry imports in 2016, compared to 0.07 % of total poultry imports in 2015. Total annual imports of these other types of poultry are shown in Graph 30.



During 2016, a total of 176 t of meat from other poultry types entered the country at an FOB of R8.23 m. For 2017 YTD, accumulated imports of ducks, geese and guinea fowl (189 tonnes) are 7.9 % higher than in the first 11 months of 2016 (+ 13.9 t).

5.2 Monthly



In November 2017, imports of ducks, geese and guinea fowl totalled 68.3 tonnes; compared to 9.3 tonnes in October 2017 and 433 *kilogrammes* in November 2016 (Graph 31, above).

There is wide variation in monthly imports of ducks, geese and guinea fowl, which makes month-on-month and year-on-year comparisons rather meaningless. The November imports had an FOB value of R3.2 million.

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