

## SOUTH AFRICAN POULTRY MEAT IMPORTS: TARIFF CODE REPORT FOR FEBRUARY 2018

### 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.

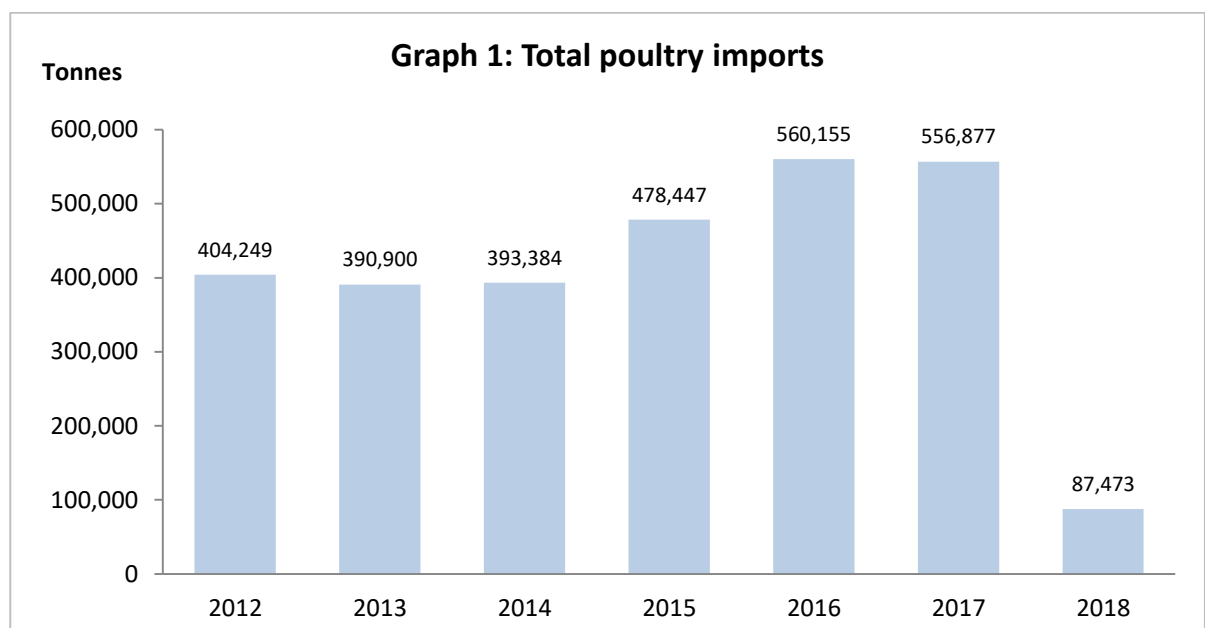
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### 1. ANNUAL POULTRY IMPORTS

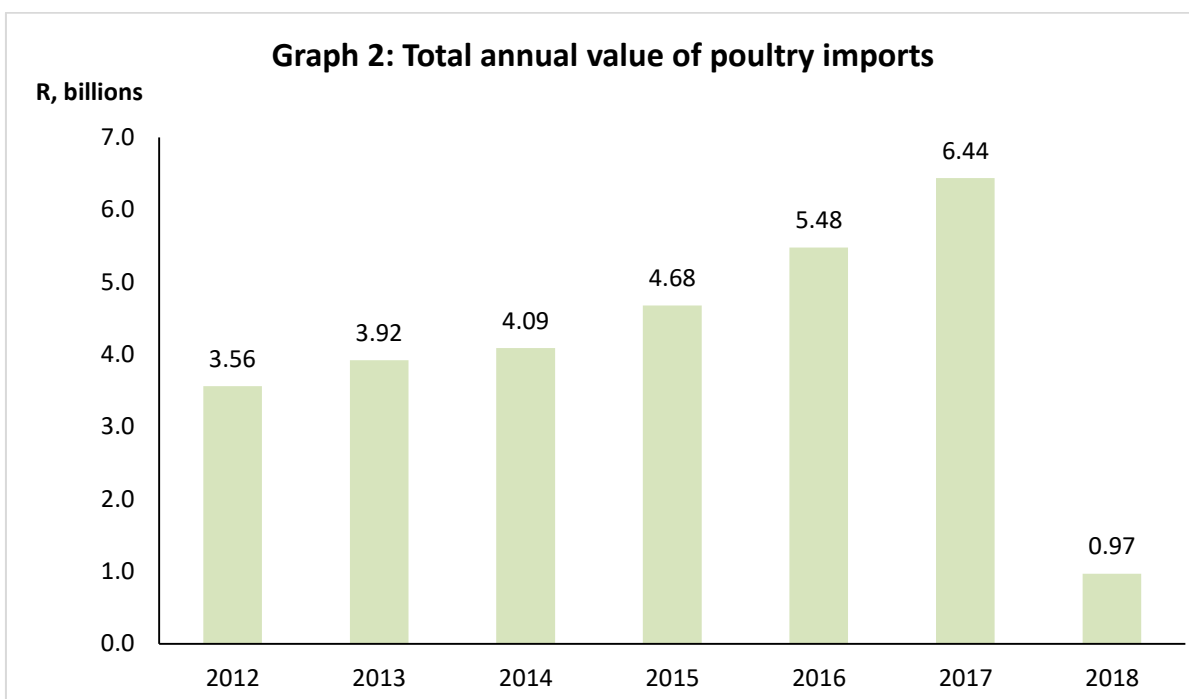
Where the term 'poultry' is used, this refers to chicken, turkey, ducks, geese and guinea fowl.

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 the December imports, 2016 imports would have been 20 % higher than in 2015. Imports in 2017, at 556 877 t, were just 0.6 % less than in 2016 despite the absence of key EU traders in the market. Imports to February 2018 are shown in Graph 1.

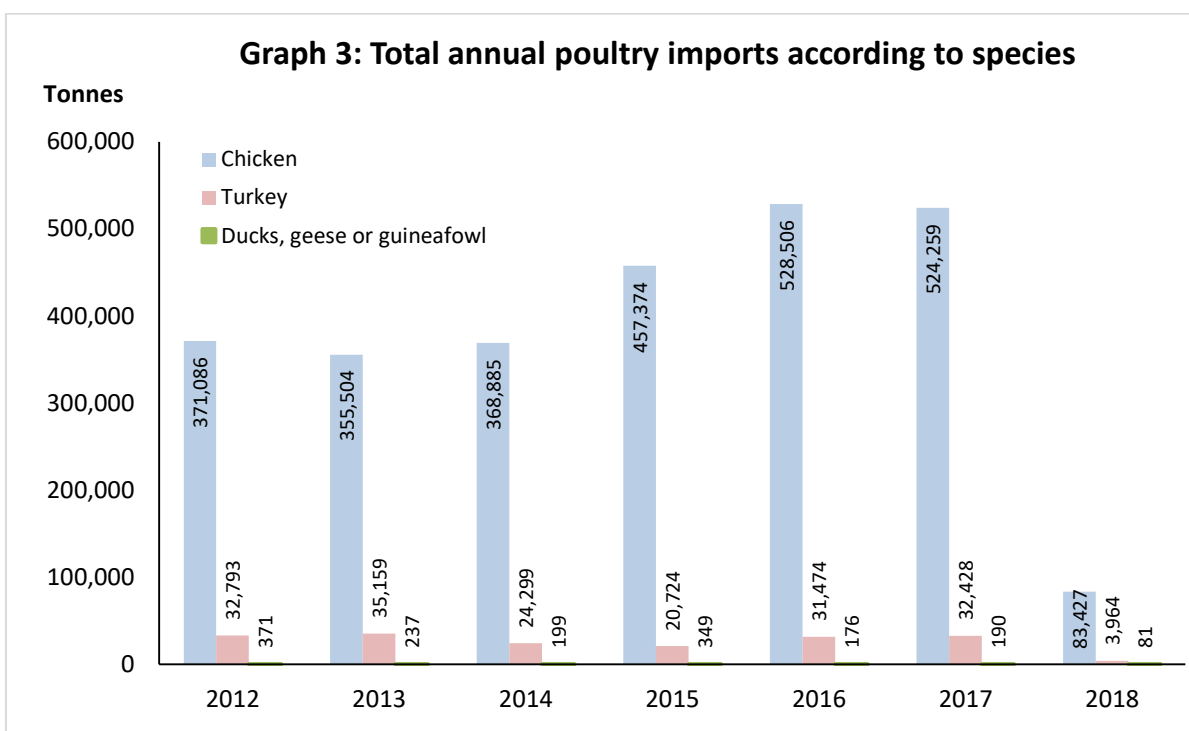


On an FOB basis, the value of imports for 2016 amounted to R5.48 billion. In 2017, the value of imports increased by R0.957 billion (17.5 %) over the 2016 value, to R6.44 billion.

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



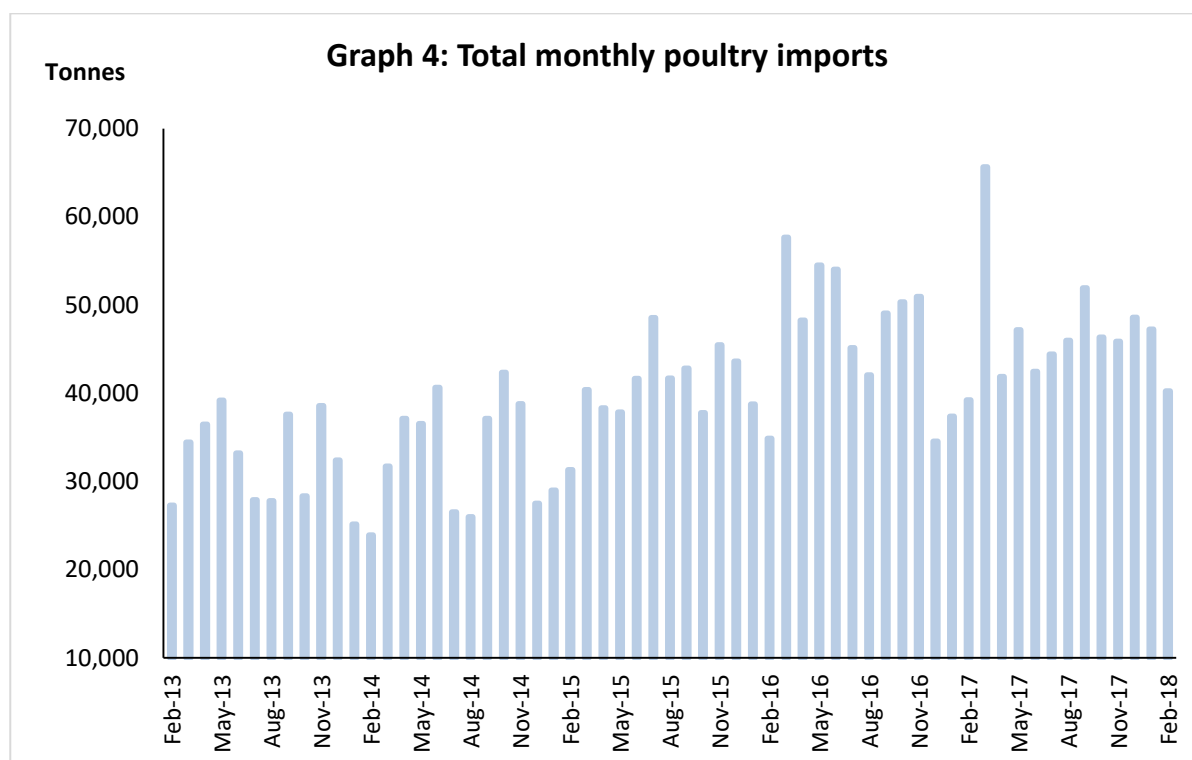
In 2017, chicken imports contributed 94.1 % to total poultry imports, turkey imports 5.8 % and ducks, geese or guinea fowl totalled 0.034 %. Annual imports according to the category of species (chicken, turkey or ducks, geese and guinea fowl) are shown in Graph 3:



## 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 imposed 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 2017 imports then rocketed to record highs of 65 658 t. Tonnages ran above 40 000 t but below 52 000 t, April through January 2018. In February 2018, 40 230 tonnes of poultry meat were imported; 7 012 t less than in the previous month (- 14.8 %; Graph 4). Poultry imports were valued at R437.0 million (FOB); down R94.2 m on January 2018 levels (- 17.7 %). Compared to the same month last year, imports increased by 1 018 t (+ 2.6 %), and in, value terms, increased by 10.9 % or R43 million.



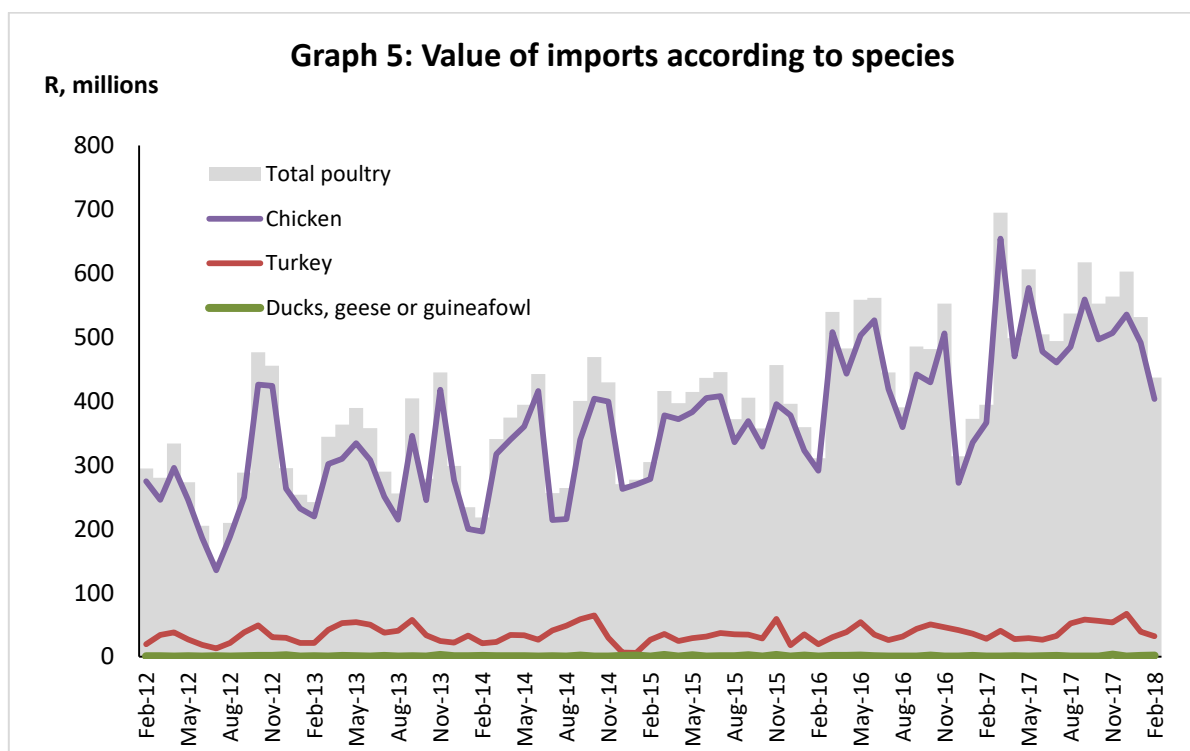
### 2.2 Classification of poultry imports into chicken, turkey and other poultry imports, according to volume

During February 2018, poultry imports consisted of 95.1 % chicken meat and product, 4.8 % turkey meat and product; and 0.13 % 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 R437.0 million for poultry imports for February 2018 comprises chicken imports at R403.5 million (92.3 %), turkey imports at R 31.9 m (7.3 %) and imports of other types of poultry at R1.71 million (0.39 %).

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	2013	2014	2015	2016	2017	2018 YTD
Total chicken	354 877 182	368 804 925	457 373 523	528 505 515	524 258 665	83 427 133
Total turkey	35 234 166	24 299 423	20 724 145	31 473 540	32 428 316	3 964 063
Total other	275 301	197 878	349 143	175 723	189 635	81 496
Total poultry	390 386 647	393 302 228	478 446 811	560 154 778	556 876 616	87 472 692

Source: SARS verified

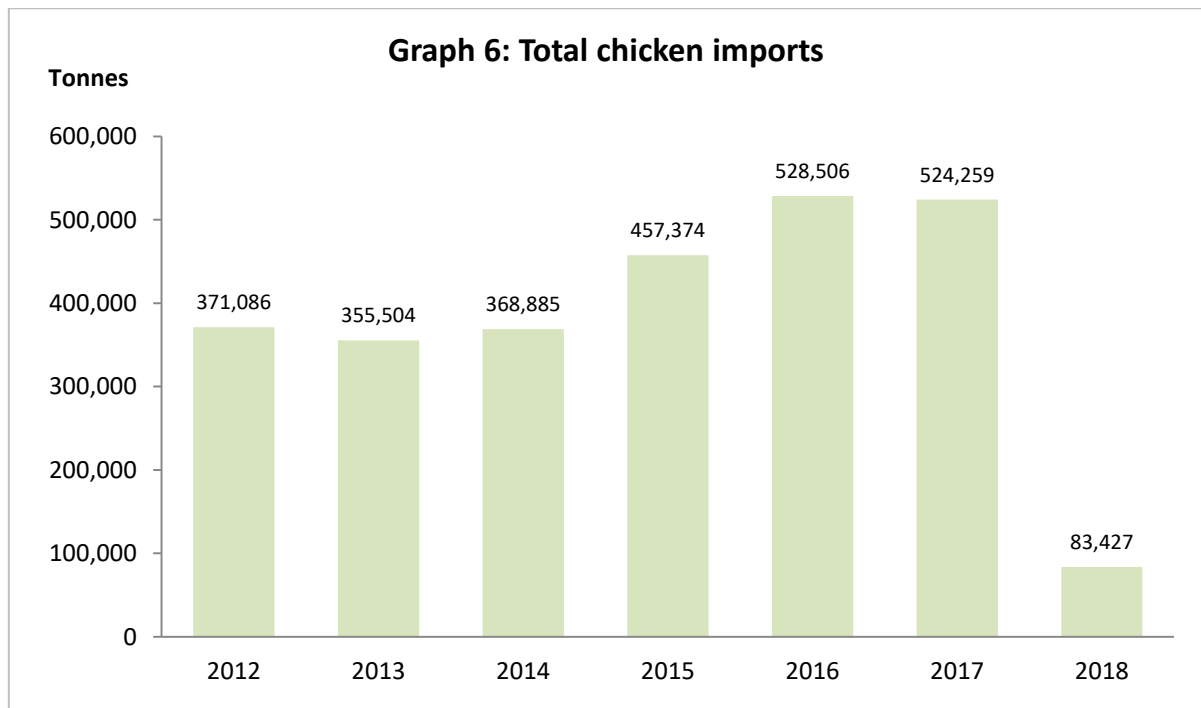
### 3. BROILER IMPORTS

#### 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).

Imports for 2017 totalled 524 259 t; 0.8 % lower than in 2016, but 25 % higher than the 5-year average (2012 - 2016).

Broiler imports to 2017 are given in Graph 6.



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

Unit: kg	2013	2014	2015	2016	2017	2018 YTD
Total chicken	354 877 180	368 804 925	457 373 523	528 505 515	524 258 665	83 427 133
Total frozen broiler	354 265 914	368 201 525	456 954 268	528 108 226	523 427 640	83 231 142
Total fresh chicken	50 767	5 491	48 840	0	28 314	25 998
Total processed	560 499	597 909	370 415	397 289	802 711	169 993

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

Unit: kg	2013	2014	2015	2016	2017	2018 YTD
Total frozen broiler	354 265 914	368 201 525	456 954 268	528 108 226	523 427 640	83 231 142
Total frozen broiler excl. MDM	212 006 932	221 218 214	277 063 358	332 854 759	321 632 534	59 910 661
Total broiler MDM	142 258 982	146 983 311	179 890 910	195 253 467	201 795 106	23 328 481

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

### 3.2 Monthly broiler imports

Broiler imports for February 2018 totalled 38 267 t. This is a decrease of 15.3 % on a monthly basis (- 6 894 t) but an increase of 1 377 t or 3.7 % when compared to the same month in the previous year. Total broiler imports, on a monthly basis from January 2015, are shown in Graph 7:









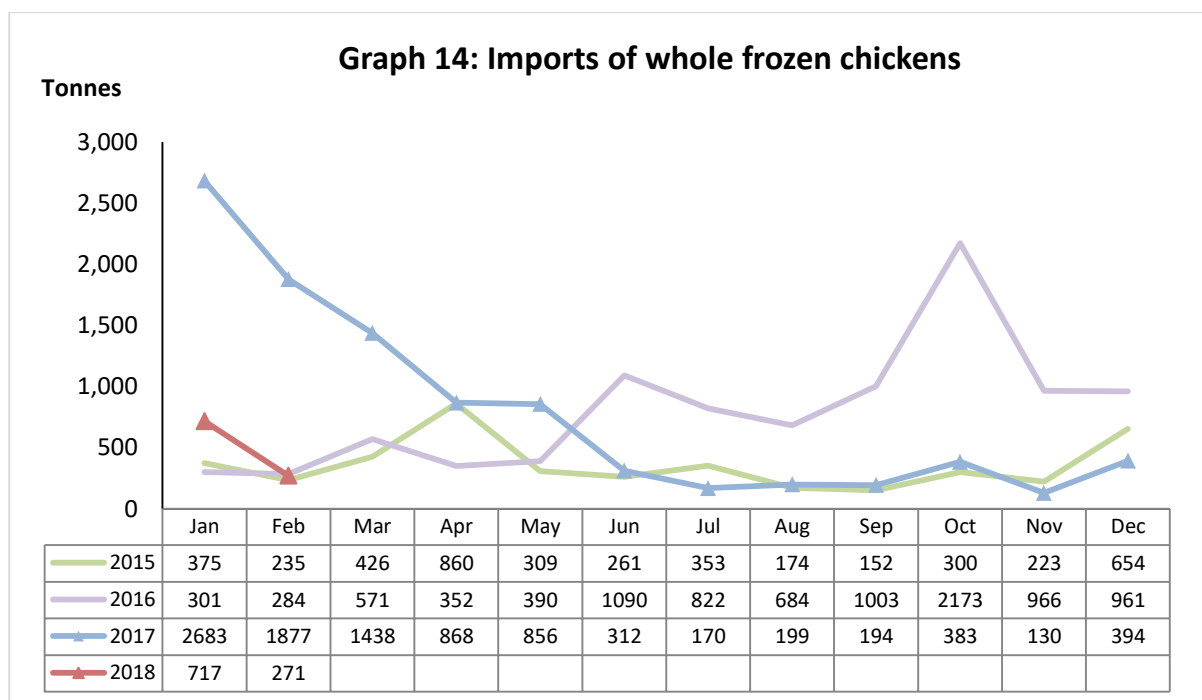


During February 2018, a total of 669 t of carcasses was imported at an FOB of R2.55 m (Graph 12, above). This is 28 t (+ 4.3 %) more than in January but, on a yearly basis, is down by 125 t (- 15.8 %).

Accumulated tonnages of imported frozen chicken carcasses over the past 4 years are shown in Graph 13, above. During 2016, a total of 21 416 t of chicken carcasses were imported at an FOB of 91.5 m. In 2017, accumulated imports of frozen chicken carcasses (14 247 t) were 7 169 t lower than in 2016 (- 33.5 %; FOB value for 2017: R91.1 million).

### 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).

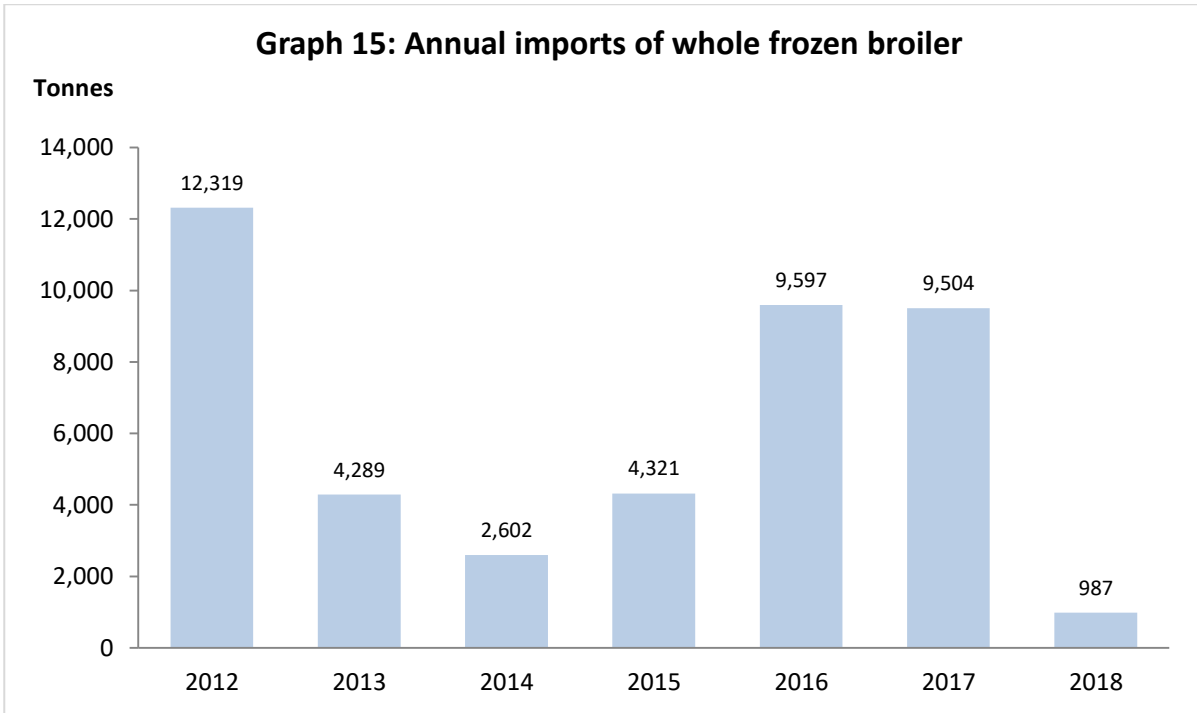


This tariff code remained unchanged in SARS' last adjustments to tariff codes (effective 1 Feb 2015), but half chickens are now imported under the tariff code 0207.1491. In February 2018, a total of 271 t of whole frozen chickens were imported at an FOB value of R4.3 m (Graph 14). This is 446 t, or 62.2 %, less than the previous month, and 85.6 % down on the levels imported during February 2017 (- 1 606 t).

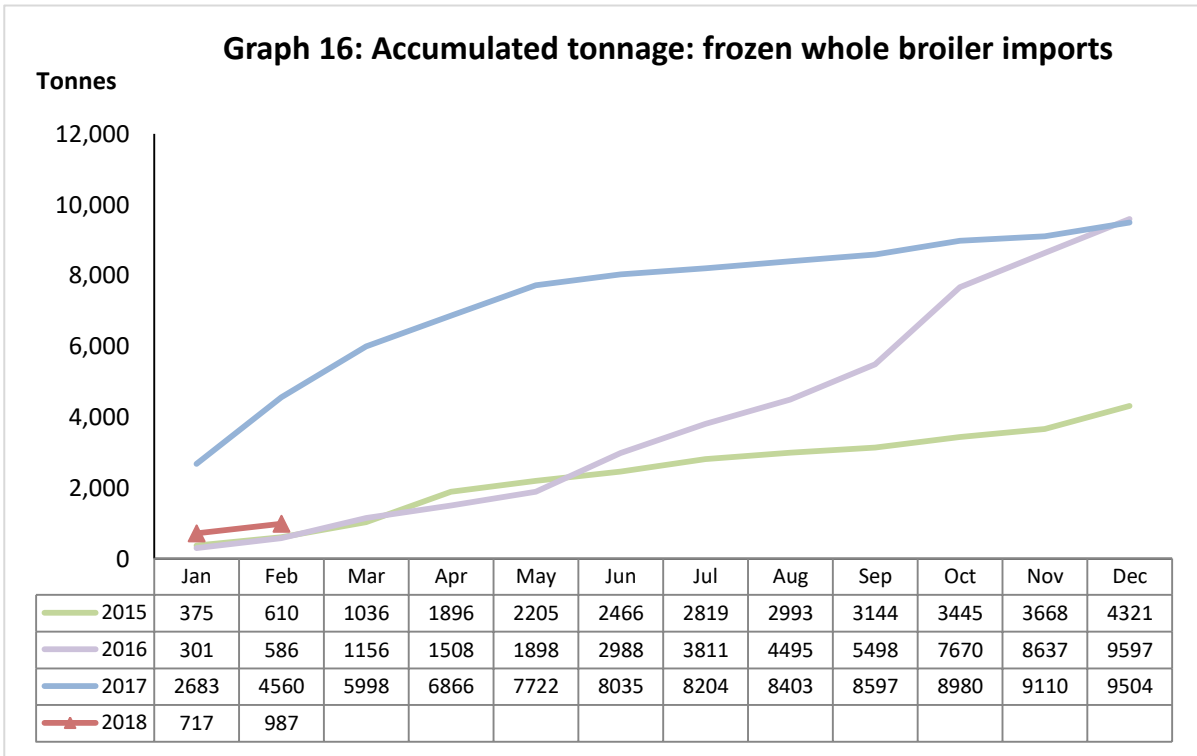
During 2016, a total of 9 597 t were imported under this code, at an FOB value of R114.3 m (Graph 15).

Accumulated tonnages of imported frozen, whole broilers over the past 4 years are shown in Graph 16. For 2017, accumulated imports of whole frozen broiler imports (9 504 t) were 1.0 % lower than in 2016 (- 94 t). The FOB value of these imports was R142.5 million (+24.7 % over 2016).

**Graph 15: Annual imports of whole frozen broiler**



**Graph 16: Accumulated tonnage: frozen whole broiler imports**



**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).

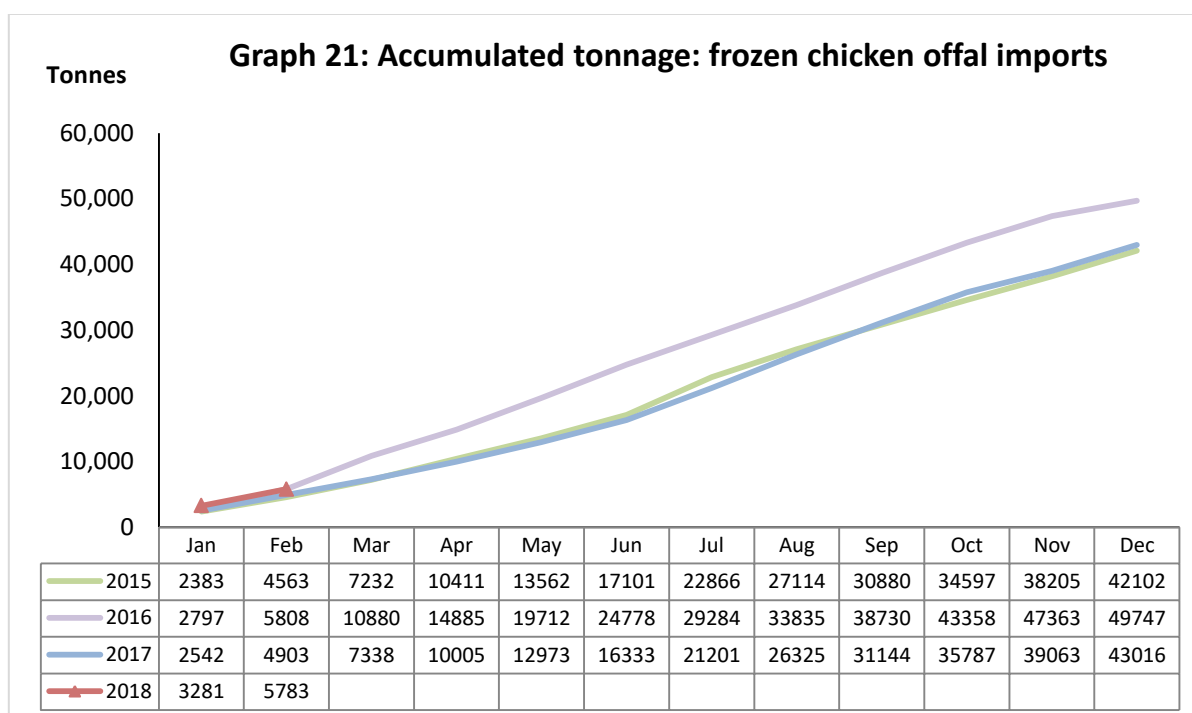




For simplicity, imports under these four codes have been summed, so that imports through 2017 can be compared with historical data. Itemised tonnages for the four codes can be found in the Country report.

Imports of frozen chicken offal in February 2018 totalled 2 502 t at an FOB value of R16.0 m (Graph 20). This is a decrease of 23.8 % (- 779 t) on a monthly basis but an increase of 5.9 % (+ 140 t) when compared to imports in February 2017.

Accumulated tonnages of imported frozen, chicken offal over the past 4 years are shown in Graph 21. A total of 49 747 t were imported in 2016, at an FOB value of R333.2 m; an 18.2 % (+ 7 645 t) annual increase in tonnages under this code. For 2017, accumulated imports of frozen chicken offals (43 016 t) were 13.5 % lower than in 2016 (- 6 731 t). The FOB value of the 2017 imports of chicken offal was R423.0 million (+ 27 % over 2016).



### 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.

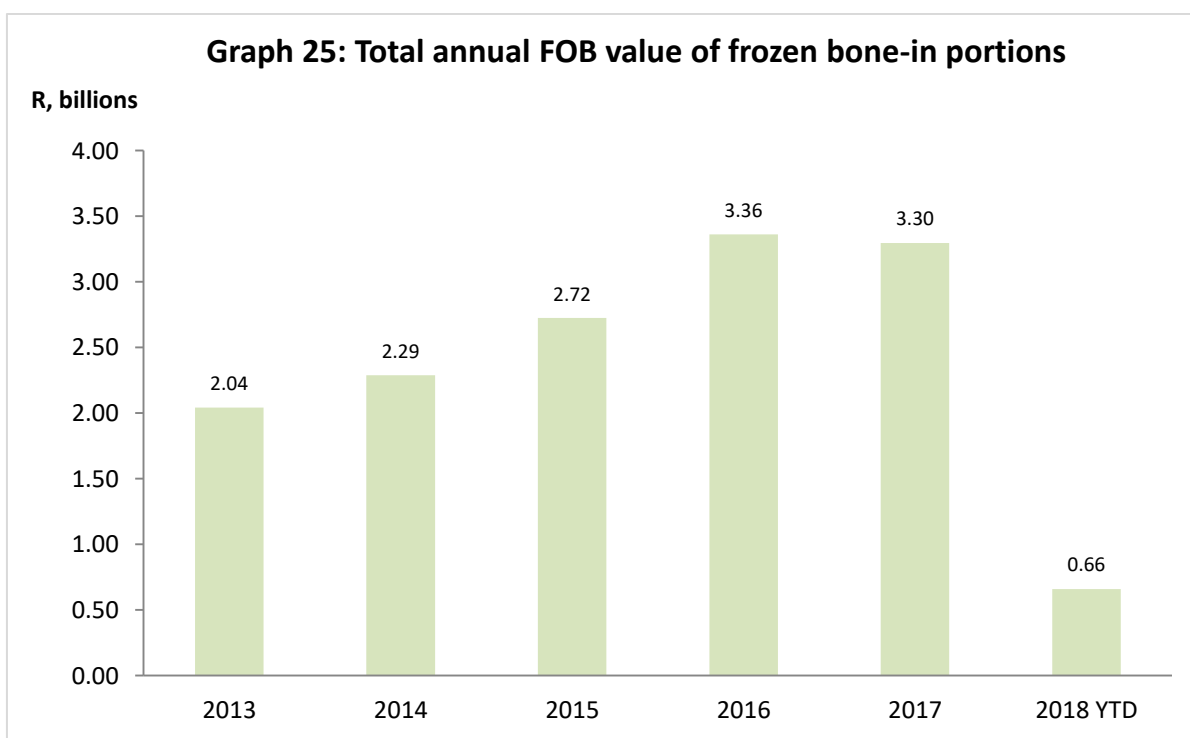
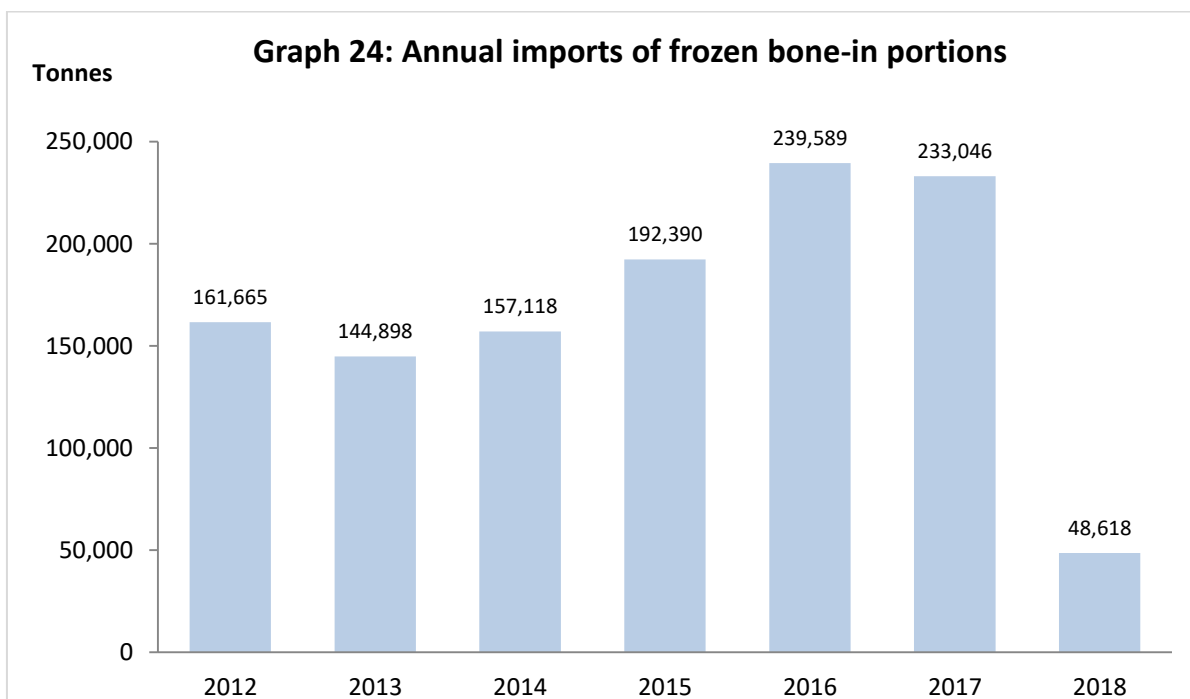
For simplicity, imports under these new tariff codes have been summed, so that imports of frozen chicken bone-in portions through 2017 can be compared with historical data. Itemised tonnages for the new codes can be found under each country in the Country report.

In February 2018, 23 117 tonnes of frozen chicken bone-in portions were imported. February's imports are 9.4 % down in comparison with the previous month (- 2 384 t); and had an FOB value of R302.2 million (Graph 22). February's imports increased by 42.6 %, or 6 902 t, on a yearly basis.



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, accumulated imports of frozen bone-in portions (233 046 t) were 2.7 % lower than in 2016 (- 6 543 t) - only because of the avian influenza-related trade bans in place against affected EU nations.

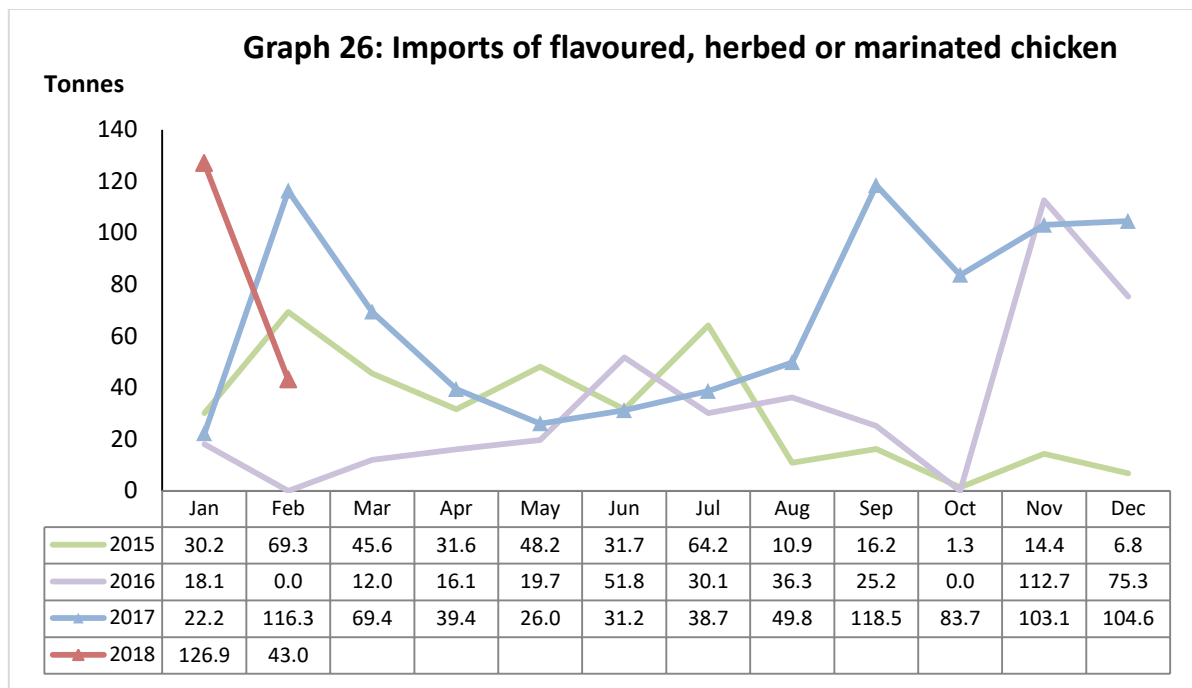




### 3.5.7 Imports of frozen flavoured, herbed or marinated chicken.

According to SARS, in February 2018, 43.0 t of value-added products (1602.3290) were imported into South Africa (Graph 26) at an FOB value of R1.8 million. In January 2018, 127 t of flavoured, herbed or marinated chicken were imported and, in February 2017, 116 t were recorded under this tariff.

During 2016, 397.3 t were imported under tariff code 1602.3290, at an FOB value of R11.6 m and in 2017, 802.7 t (+ 405 t; + 102 %) were imported at an FOB value of R 22.8 million.

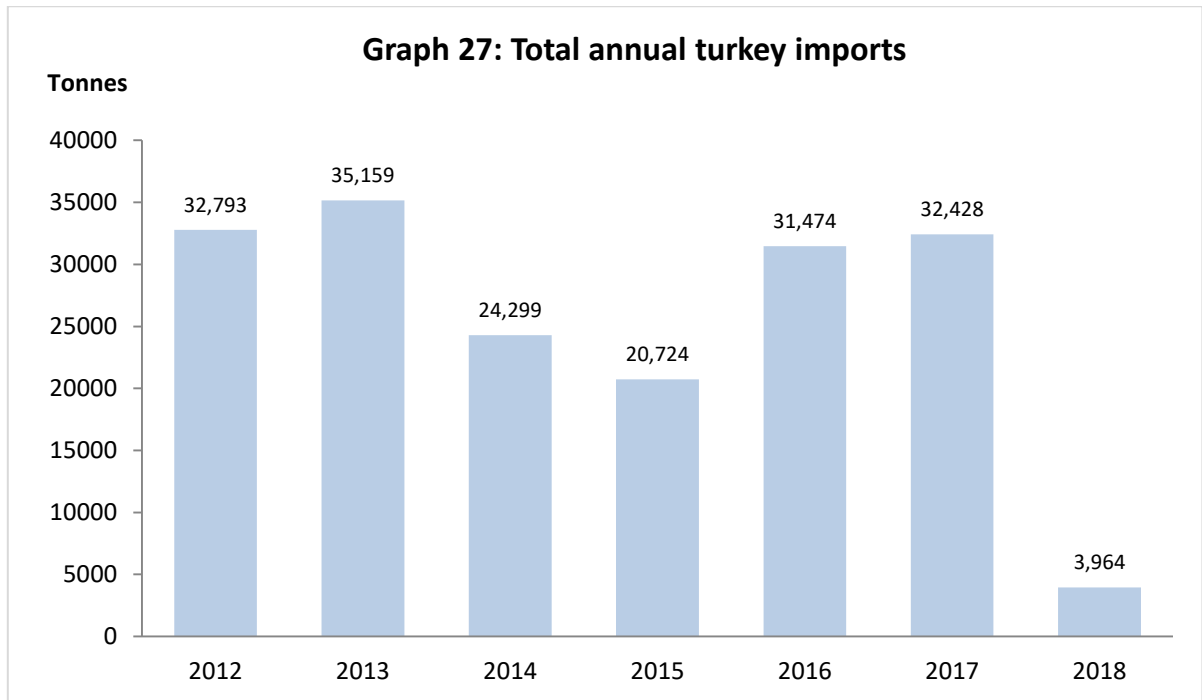


## 4. TURKEY IMPORTS

### 4.1 Annual turkey imports

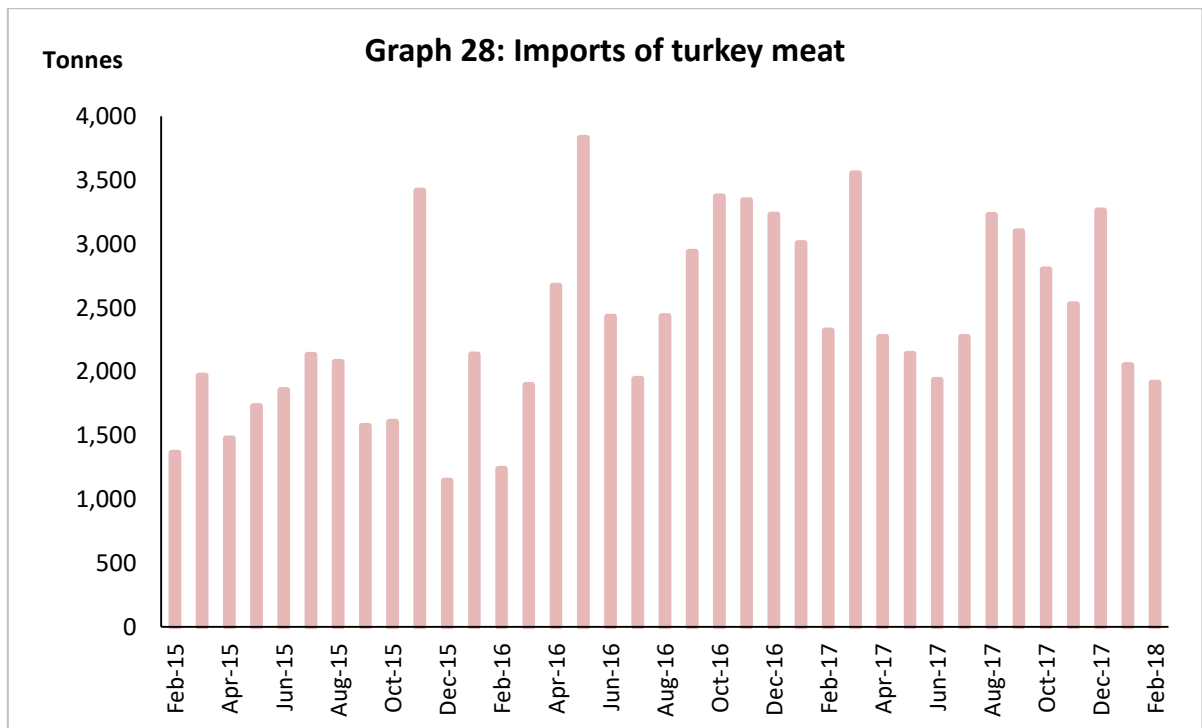
In 2017, turkey was imported under four different tariff codes: 0207.2500 (whole frozen turkey); 0207.2600 (fresh turkey cuts and offal); 0207.2700 (frozen turkey cuts, offal and mechanically deboned meat); 1602.3100 (preserved and prepared turkey).

During 2017, a total of 32 428 tonnes of turkey meat entered the country (FOB value R506.5 million). This was 3.0 % more than in 2016 (31 474 t, at an FOB value of R450.8 m (Graph 27)).



#### 4.2 Monthly turkey imports

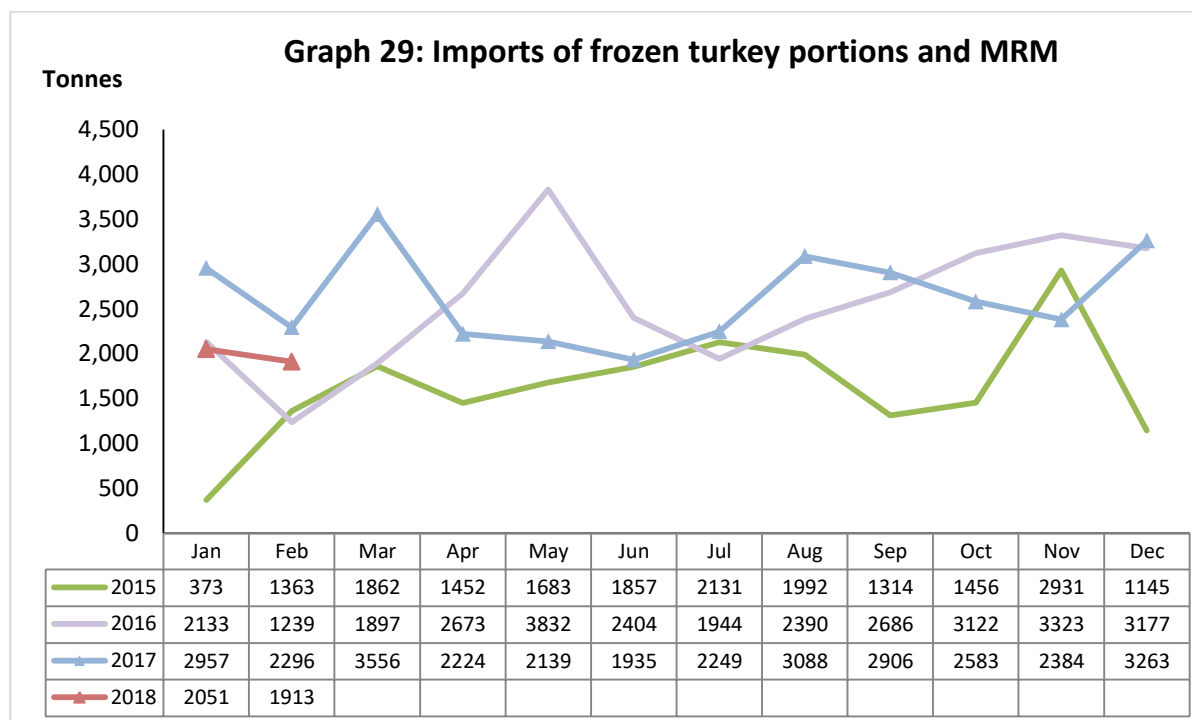
In February 2018, a total of 1 913 t of turkey meat (all tariff lines) were imported at an FOB of R31.9 m (Graph 28). This is a decrease of 138 t on January 2018 levels (- 6.7 %), and a decrease of 409 t on February 2017 levels (- 17.6 %).



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

Imports of frozen turkey portions under tariff code 0207.2700 made up 100 % of total turkey imports in February 2018. Import levels under the tariff code 0207.2700 decreased by 138 t (- 6.7 %) on a monthly basis, and decreased by 16.7 % or 383 t compared to February 2017 (Graph 29). Imports in February totalled 1 913 t, at an FOB value of R31.9 m.

A total of 31 579 t were imported under this code in 2017, at an FOB of R482.4 m. For 2017, accumulated imports of frozen turkey cuts and offal were 2.5 % higher than in 2016 (30 820 t).

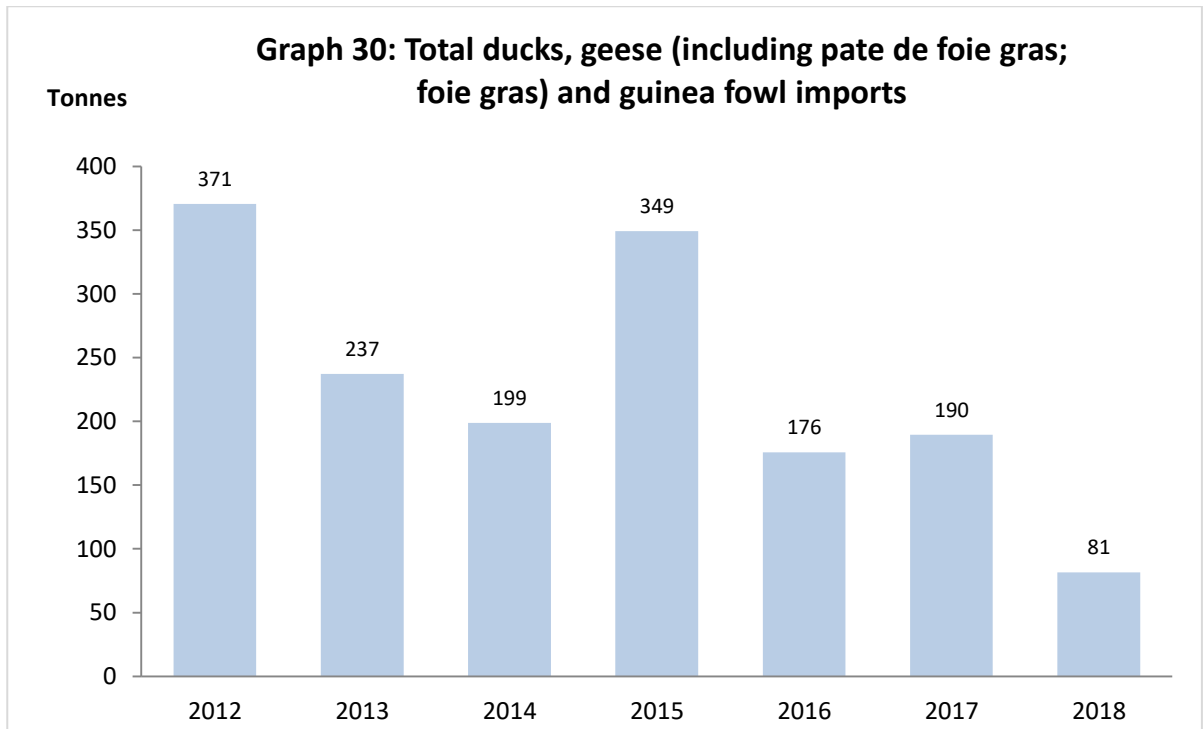


## 5. DUCKS, GEESE AND GUINEA FOWL IMPORTS

### 5.1 Annual

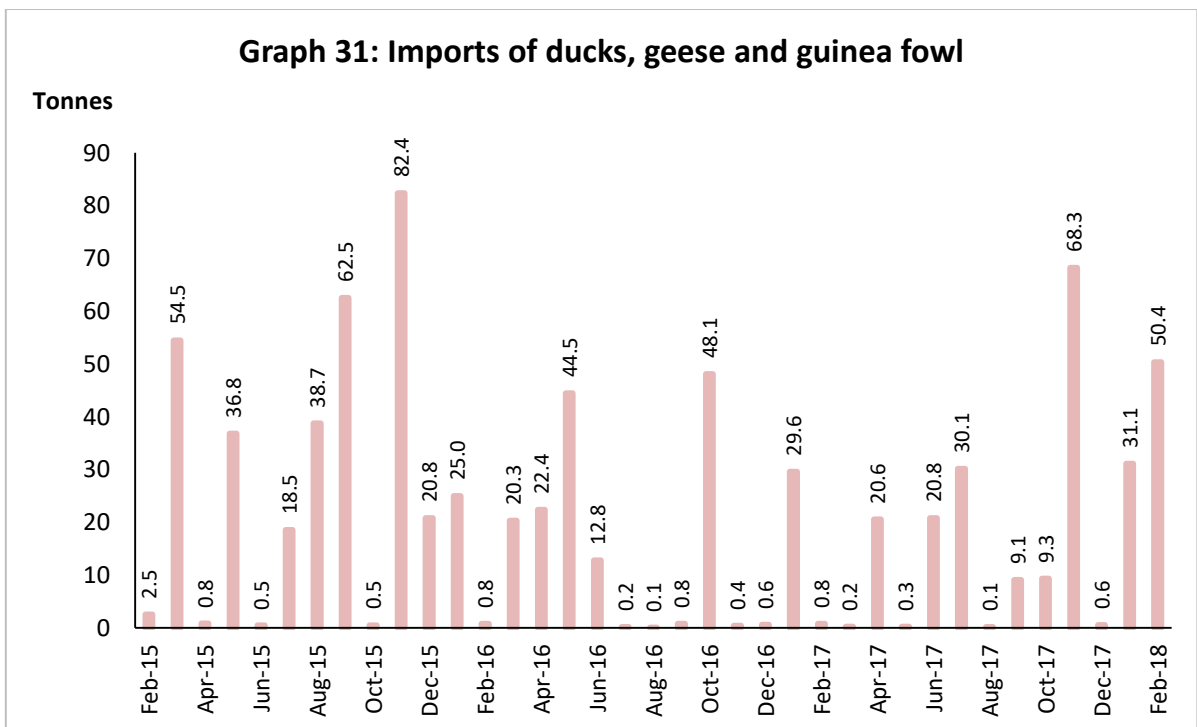
The imports of ducks, geese or guinea fowl contributed 0.034 % of total poultry imports in 2017, compared to 0.031 % of total poultry imports in 2016. Total annual imports of these other types of poultry are shown in Graph 30.

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, accumulated imports of ducks, geese and guinea fowl (190 tonnes) are 7.9 % higher than in 2016 (+ 13.9 t); and had an FOB value of R7.5 million.



## 5.2 Monthly

In February 2018, imports of ducks, geese and guinea fowl totalled 50.4 *tonnes*; compared to 31.1 *tonnes* in January 2018 and 787 *kilogrammes* in February 2017 (Graph 31). 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 February imports had an FOB value of R1 706 666.



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