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MEDIA RELEASE

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SAPA CALLS FOR INVESTIGATION INTO CHICKEN IMPORT PRICES

The South African Poultry Association (SAPA) has called for an investigation of chicken import prices, due to numerous examples of both underpricing and over-pricing of chicken imports.

The underpricing is on chicken products subject to import tariffs, while the over-pricing happens on duty-free consignments of mechanically deboned meat (MDM). The gains on MDM would compensate foreign producers for losses on underpriced dutiable products, but there is nothing to prove that this is a deliberate strategy.

This apparent tariff evasion on poultry imports could be costing South Africa thousands or even millions of rand in unpaid import duties.

SAPA raised these concerns in a meeting with the SA Revenue Service (SARS), and we have asked them to investigate.

SAPA also intends to take the matter further, with the Ministers of Agriculture and Finance. SARS import statistics for the first half of this year indicate that the value up to 50 % of poultry imports may have been under-declared, with higher prices for tariff-free products making up the revenue difference for foreign producers.

There are numerous examples in this year's imports statistics. Imports of dutiable goods come in at sometimes impossibly low import prices, while some declared prices for consignments of mechanically deboned meat (MDM) which comes in duty-free, were nearly double the usual import price during the first half of this year.

The questionably priced products have come mainly from Brazil and Argentina, which together supply 90% and sometimes more of South Africa's poultry imports. However, some strangely priced imports came in from the Netherlands, Ireland and Spain.

This is a very serious situation, not only for South Africa's poultry industry, but for the national revenue service, which appears to be losing out on considerable amounts of revenue which should have been paid on chicken imports.

An urgent investigation is essential, both to protect the fiscus and to prevent harm to South African poultry producers, who would be competing against unfairly priced chicken imports.

Here are some examples of chicken imports this year. Import prices are compared firstly to the reference price – the cost per kg of producing a chicken in that country, as calculated by Wageningen University in its 2025 competitiveness report. They are also compared to more usual import prices for that product in the first half of 2025.

Under-declaration

Leg quarters from Brazil imported at R2.07/kg. The Wageningen production price for Brazil is R25.43/kg. The usual import price for leg quarters from Brazil was R19/kg-R20/kg.

- Leg quarters from Argentina at R12/kg. Usually R18-R19/kg
- Offal from Argentina imported at R4.00/kg (Usually R5/kg – R9/kg)
- Offal from Brazil imported at R5/kg. (Usual import price R7/kg – R8/kg)

Examples of apparent lesser-scale underpricing are:

- Drumsticks from Brazil at between R15.69/kg and R18.68/kg compared to Brazil import prices this year of R21/kg and higher. The reference production price is R25.43/kg
- Bone-in portions from Brazil at R15.69/kg to R18.61/kg, compared to usual Brazil prices of between R19 and R20/kg and a reference production price of R25.43/kg.
- Chicken wings from Argentina at between R13.67/kg and R18.61/kg, compared to usual Argentinian imports at between R18/kg and R20/kg

Over-declaration

While foreign producers would lose revenue when dutiable goods are underpriced, they would score from overpriced imports of MDM, which comes in duty-free. Declared import prices on these consignments could be nearly double the usual import price.

Import prices for MDM from Brazil in the first six months of this year were mostly between R8/kg and R11/kg. However, numerous consignments arrived priced at between R15/kg and R18/kg.

Similarly, some consignments of MDM from Argentina, usually between R9/kg and R12/kg, were priced at R17/kg and R21/kg.

Anomalies

Then there were anomalies, such as chicken livers from Brazil, usually priced between R7/kg and R8/kg, arriving at prices ranging from R10.51/kg and R14.96/kg. What was in those boxes?

Bone-in portions from Brazil, usually R19/kg and above, were imported at prices between R16/kg and R18/kg. The reference production price for Brazil is R25.43/kg.

In May 2026, nearly R3 million worth of leg quarters were imported from the Netherlands at R102.67/kg, nearly three times the reference production price for the Netherlands of R34.47/kg.

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