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MEDIA STATEMENT

SAPA CALLS FOR VAT REMOVAL ON CHICKEN TO SUPPORT LOW-INCOME HOUSEHOLDS

The South African Poultry Association (SAPA) has submitted a formal request to National Treasury to remove the 15% value-added tax (VAT) from chicken, proposing that chicken be added to the list of zero-rated basic foodstuffs in the 2026 National Budget. “This measure would reduce the cost of the country’s most widely consumed protein source and provide direct relief to low-income households facing increasing food insecurity,” says Izaak Breitenbach, CEO of SAPA’s Broiler Organisation.

The Treasury called for proposals after a parliamentary committee last year and recommended an expansion of the list of essential foods exempt from VAT.

At present, tinned pilchards are the only meat protein zero-rated for VAT, with the remaining proteins on the list limited to plant-based or dairy options. These alternatives cannot sufficiently meet the daily protein and micronutrient requirements needed for healthy growth and development, particularly in children.

“Chicken is the most affordable and widely consumed animal protein among low-income households; zero-rating chicken would reduce the cost of a staple food relied on by millions of South Africans and improve both affordability and nutrition quality for vulnerable households,” continued Breitenbach.

The economic data presented in the submission emphasises the gap between income and food costs. The average monthly household food basket costs R5,440.60, while the national minimum wage provides a maximum of R5,297.36 per month. After essential expenses such as electricity and transport, households fall 38% short of what is required for a basic nutritious diet. The Child Support Grant of R560 is below the food poverty line of R796 and covers only 59% of a child’s minimum dietary needs.

Removing VAT from chicken would narrow the income-to-food-cost gap, ease pressure on low-income households, and make government feeding schemes, including the National School Nutrition Programme, more cost-effective.

The submission also connects zero-rating chicken to public health outcomes, citing child stunting rates of 28.8% nationally and 36% among the poorest households. Low consumption of animal-source protein is a major factor in these figures. Child stunting is caused by chronic malnutrition.

Chicken provides 24–32g of protein per 100g cooked and contains essential micronutrients. Zero-rating chicken would improve child growth, support maternal and infant health, prevent iron-deficiency anaemia, and shift diets away from ultra-processed meats and starch-heavy meals. Most VAT savings on frozen chicken benefit the bottom seven income groups, making the measure highly progressive.

“Zero-rating chicken would also stimulate demand within a labour-intensive value chain, support job stability and growth and reduce input costs for institutions and feeding schemes,” argues Breitenbach. The proposal includes a specific definition of “chicken” for VAT purposes, covering frozen meat on the bone and uncooked offal commonly purchased by low-income households, while excluding processed or ready-to-eat products to ensure that the relief is targeted.

“Our submission aligns with government’s commitment, reiterated in the 2025 Medium-Term Budget Policy Statement, to support low-income and vulnerable households through social protection. This request is a targeted intervention aimed at improving access to an affordable animal protein and strengthening the nutritional foundation for future generations.

“The proposal presents a clear, practical intervention that enhances affordability, improves nutrition, and aligns fiscal policy with the needs of vulnerable households,” concludes Breitenbach.

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