



SOUTH AFRICAN POULTRY ASSOCIATION

Founded 1904

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MEDIA STATEMENT

LOCAL POULTRY INDUSTRY EXPRESSES DISBELIEF OVER TARIFF REBATE PROVISIONS

It appears that the International Trade Administration Commission (ITAC) has recommended to the Department of Trade, Industry and Competition (DTIC) that certain rebates on frozen poultry imports be regulated in the event of chicken supply shortages caused by Highly Pathogenic Avian Influenza (HPAI or “bird flu”).

In October 2023, following a massive outbreak of bird flu in the country, Minister Ebrahim Patel instructed ITAC to consider remedial trade actions to ensure that South Africans would have enough affordable poultry products on the shelves for the coming Festive Season. In response to this, the industry was able to outline measures that no chicken shortages would be experienced, as contingency plans had been implemented to avert such an impact on the back of the bird flu pandemic that hit the country in 2023.

The industry has successfully imported broiler hatching eggs to fill any gap in supply, and together with the industries numerous production contingency plans and available chicken stocks, has averted any shortage of chicken. Industry submissions under the tariff rebate enquiry, including engagements with Minister Patel, were very clear on how any shortages would be averted on the supply of chicken through the various strategies implemented.

There is no rational argument for a rebate on tariffs; there was no poultry meat shortage over the Festive Season and the supply chain is well stocked. SAPA constantly sees the rhetoric and mistruths published by The Association of Meat Importers and Exporters of Southern Africa (AMIE) around chicken supplies, poultry pricing levels, the plight of the consumer and what our Government’s mandate should be. Their narrative only serves a very narrow purpose. Whilst crying out for Government to protect the consumer, we often see news of players in the import industry participating in illegal trade practices, at the same time media reports around frozen chicken shipments into South Africa being used to move illicit drugs such as cocaine.

The South African Poultry industry is a R60-billion strategic national asset – it is the second largest agricultural sector in the country, and the largest employer. For every job created in the poultry industry, another job is created throughout the value chain. Implementing tariff rebates simply work against the trade measures implemented under the Poultry Sector Master Plan - and against which the local industry made massive investments in production capacity. They will only serve to place further investment at risk, place jobs at risk and threaten South Africa’s food security.

The implementation of a rebate and any permits issued under this will be the single most damaging action to a poultry industry already on its knees. We note with concern the statement already made by AMIE – *“as AMIE, we congratulate the Minister and the International Trade Administration Commission of South Africa (ITAC) on this decision, and look forward to the guidelines, which will be*

published in due course. We also hope that the Department recognises the importance of this move for consumers, and that they streamline the process to eliminate any red tape in rebate applications for importers". We need to remind AMIE here that there are no shortages in the supply of chicken. We trust that the rebates will not merely become another avenue for the importers to exploit, quietly enriching themselves at the expense of the South African industry and the consumer.

We will be dismayed if Government even considers applications, never mind approves permits for poultry imports under the rebates. This would move to sacrifice one of the few agricultural industries in South Africa that is globally competitive. The South African market does not need poultry imports to avert any potential shortage of chicken on the back of any HPAI event, we have ably demonstrated that the local industry does have tangible contingency plans. The proof is in the supply of locally produced chicken to the South African market, with no shortages!

A lot has been spoken of vaccination against bird flu in the media this week. Government have published protocols for vaccination and the industry will continue engaging positively with the relevant authorities towards the aim of vaccinating the national poultry broiler breeding flock. That too will avert any possible shortages, and the rebate will merely become a non-event and hopefully not a tool for unscrupulous importers to abuse.

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