



## SA CONSUMER WATCH DOG TAKEN TO TASK FOR SERVING FOREIGN INTERESTS

A South African consumer watchdog (SANCU) that used to be against predatory trading practices and should be more concerned about food safety issues has now come out in support of poultry importers that are dominated by foreign interests. SANCU has now lent its name to the campaign of Emerging Black Importers and Exporters South Africa (Ebiesa) on behalf of Brazilian chicken exporters.

Chicken importers in South Africa have long been the handmaidens of foreign interests. Among the leadership of South Africa's meat importers are the head of marketing for the Brazil poultry producers, a representative of BRF, a Brazilian company that made headlines last year around the globe for a tainted meat scandal, and a representative of poultry producers in Ireland.

As noted in an [opinion piece in IOL](#)  
"While local producers are held to strict

The FairPlay movement is a non-profit initiative to end predatory trade practices worldwide.



## THE UGLY TRUTH IS THAT IMPORTED "CHEAP CHICKEN" NEVER REACHES CONSUMERS

In April, the newly created Emerging Black Importers and Exporters South Africa (Ebiesa) formed an alliance with the South African National Consumer Union (SANCU). That is news we should all be able to welcome. However, it transpires that this alliance appears to be no more than a tactical front and an ill-informed mouthpiece for Brazilian big poultry exporting interests.

Interestingly Ebiesa has suddenly emerged as a new voice for South Africa's meat importers who up until now have been represented by the Association of Meat Importers and Exporters (AMIE). To date South Africa's meat importers and exporters as represented by AMIE, is a business group that is about as far removed as it is possible to be from a transformed organisation.

traceability requirements, imported chicken enters South Africa in frozen bulk packs and is allowed to be thawed and repacked with no more than a vague reference to its country or countries of origin."

But beyond concerns over food safety what is more troubling is the lack of attention by SANCU to the massive mark-ups of chicken dumped into South Africa by foreign sources. Further, advocating for foreign supplies at the expense of local production, in the long run, makes South African consumers dependent on foreign food supplies only serving to undermine national food security.

Importers make enormous profits from dumped chicken. Unlike local chicken producers whose profits are spent on buying South African feed grains, employing tens of thousands of rural workers and investing in new technologies for the industry, the importers simply pocket the profits for themselves.

"Chicken production is not an urban enterprise. When opportunistic imports destroy jobs, the sustainability of the rural economy is directly endangered and food safety is compromised. If SANCU had announced, in the genuine interests of the consumer they purport to represent, a campaign to insist that the same strict safety protocols for imported chicken be applied as they are to locally-produced or had they announced a campaign to support SA chicken exports, they would be standing on the side of black chicken farmers and jobs for rural areas." As it stands, SANCU stands with the predators.

Listed among AMIE's members and its leadership are companies headquartered throughout Europe, Brazil and Asia. Clearly AMIE's interests are not the interests of South Africa nor of the tens of thousands of South African's employed by the chicken industry. Nor are they the interests of thousands of small scale farmers.

Ebiesa and SANCU claim that "increasing tariffs on imported chicken could hike local chicken prices by up to 32%, putting South African consumers under further financial strain and impacting food security for the poor". This is a total fabrication. A malicious attempt at misdirection and misinformation aimed at the consumer. The fact is that increased tariffs would add not one rand to the price of locally produced chicken. Any tariff increase would only effect imported chicken and that cost could easily be absorbed by the importer at no cost to the consumer.

Even the University of Pretoria's Bureau for Food and Agricultural Policy, whose figures they claim to be quoting, have since rubbished this statement.

And looking into the numbers, it's easy to see that there's no truth to this claim.

SARS data shows that the average landed price of Brazilian chicken leg quarters in January 2019 was R13.52 per kilogram, and when the existing 37% tariff is added it comes to R18.52. The average retail price of chicken in South Africa is around twice that – as an example, this week at Game leg quarters are sold at R37.80 per kilogram. That is 104% over the landed price.

If ITAC were to approve the 82% tariff, the landed price for Brazilian leg quarters will increase to R24.61/kg, and if the price in Game stays the same at R37.80/kg, as presumably it will, there will still be a mark-up of 54%, or 1.54 times the landed price. The bottom line is that an 82% anti-dumping tariff should have zero impact on the retail price of chicken and zero impact on the consumer.





## THE UNSEEN COSTS OF DUMPING—THE THREAT TO THE SUSTAINABILITY OF RURAL COMMUNITIES

Charmain Lines [writing in the Saturday Star](#) examines how local chicken producers invest in local communities in ways that importers simply don't; offering training opportunities, infrastructure improvements and much more.

The impact of dumping by importers of foreign chicken on rural communities is deeply destructive and extends way beyond the terrible consequences of job losses.

Dumping, quite simply, jeopardises the contributions of local industry to society in ways other than direct job creation. Jeopardising this invaluable contribution should be avoided at all costs.

Whether it is new kit for an under-15 soccer team or maintenance of a municipal sewage system, these contributions and investments have a major impact on the quality of life of the communities where the major chicken producers operate.

In many cases, education and empowerment is the focus. The major chicken producers all support government-driven skills-development initiatives, notably the AgriSETA's artisan-development programme which empowers students to improve their status in life. RCL Foods, for instance, hosts 23 apprentices per year for the 12- to 36-month practical component of their training.

Over at Grain Field Chickens, the company is deeply invested in renovating feeding-scheme kitchens at schools in the eastern Free State. Three renovations – one in Petsana, close to Reitz, and two kitchens at the Leifo Iziko Combined Primary and Secondary School – have been completed.

During 2018, Sovereign Foods gave scholarships to four academically deserving but financially needy Grade 12 learners who live close to its Uitenhage plant. The students qualified for university bursaries in 2019 and, upon completion of undergraduate programmes, will be offered one-year in-service training positions.

Without exception, the chicken producers assist vulnerable communities, organisations and individuals in their areas. Thousands of kilograms of chicken products are donated to frail-care and day-care centres, orphanages and shelters for the abandoned, and hospices and care centres for terminally ill patients.

On the other side of the scale is imported chicken, which brings none of these community or empowerment benefits that flow from having a successful local chicken producer in the area. Dumped chicken serves one purpose and one purpose only: to make money for importers and middlemen, the crocodiles of trade who could care less what happens to those living in rural South Africa.

Let there be no doubt: dumping erodes, and will eventually destroy, the ability of local producers to contribute to the sustainability of communities in which they operate. They will not be in a position to help out in emergencies, invest in children and students, and give community members a shot at a better life.



## IMPORTS THREATEN THE SURVIVAL OF SOUTH AFRICA'S SMALL SCALE CHICKEN FARMERS

An article by [Bekezela Pakathi](#) in *Business Day* reveals how a flood of imports is devastating small scale chicken farmers in South Africa.

According to the South Africa Poultry Association (SAPA) half of small chicken farmers have gone out of business in the past six months due to the “fact that their potential markets have been flooded by ever-increasing volumes of dumped chicken, especially from Brazil.”

According to SAPA GM Izaak Breitenbach “In the last six months the SA Poultry Association has watched with distress as almost half of the small farmers we had regular contact with have gone out of business, due to the simple fact that their potential markets have been flooded by ever-increasing volumes of dumped chicken.”

“The hundreds of workers these farmers employed have now joined the ranks of the unemployed,” he said, adding that the association is concerned about “irresponsible claims by a South African consumer protection body and a new organisation called Emerging Black Importers and Exporters of SA – fronting the Association of Meat Importers and Exporters (AMIE) – in support of predatory trade from Brazil, at the cost of tens of thousands of South African workers in the chicken and related industries.”

It is worth noting that AMIE not only represents South African importers but also Brazilian, Thai and EU companies that dump chicken into South Africa.

Currently 61 percent of imports come from Brazil in volumes that exceed even the largest South African producer. The import tariffs that are currently in place have not slowed this down in the slightest. In fact, Brazil increased its exports to take up the slack that was caused when avian flu in the EU closed those borders temporarily. This is why the SA Poultry Association has applied to the International Trade Administration Commission to increase the tariff payable by Brazil to 82%, which is the maximum allowed by the WTO (World Trade Organisation).



## FAIRPLAY RAISES SERIOUS QUESTIONS ABOUT THE SAFETY OF CHICKEN IMPORTS

For nearly three years FairPlay has been raising issues of food safety that put the health of South African consumers at risk through lax inspections of imports and unsafe labelling.

FairPlay has consistently expressed concerns over the tardy review of local food safety legislation and its perceived laxity, and has said the Department of Health is failing to protect South African consumers.

FairPlay has called for the playing field to be levelled for everyone including importers, and for the same rules of production and packaging to be applied across the board. Additionally FairPlay raised attention to the dangers of food products from various establishments in Brazil suspected of fraudulently evading food safety checks.

In February FairPlay founder Francois Baird wrote to Minister of Agriculture, Forestry and Fisheries Senzeni Zokwana to raise 15 questions regarding the safety of imported chicken. Since to date there has been no appropriate response FairPlay has chosen to publicly raise these 15 questions:

1. How many foreign poultry producers have permits to export to South Africa?
2. How many of these plants have South African inspectors visited in the past 10 years?
3. Does DAFF have the capacity to inspect these plants and, if not, what capacity is required?
4. Has DAFF inspected any Brazilian poultry production sites, particularly since the 2017 food safety scandal there? If not, why not?
5. Is DAFF satisfied with its capacity to conduct inspections at South African ports? If not, what capacity is required?
6. Are all import consignments inspected and tested?
7. If it is random sampling of containers, what percentage is tested?
8. How many consignments have been rejected, for what reasons, at which ports and from which countries?
9. What are the main bacteriological problems that have been identified with imported chicken products?
10. Specifically, was salmonella or listeria found on any poultry import samples, particularly from Brazil?
11. Has DAFF received any reports from Saudi or EU authorities on their decisions to ban Brazilian poultry imports?
12. Is DAFF considering a ban on Brazilian poultry imports based on the information it has received, or is it considering conducting its own tests on Brazilian facilities? If not, why not?
13. What progress is being made on banning the repackaging of bulk frozen chicken? As we understand it, this dangerous practice is prohibited by DAFF but has been allowed because of a dispensation from the Department of Health.
14. What progress is being made from DAFF's side to implement requirements that imported chicken meet the same labelling and traceability standards required of South African producers? The listeria outbreak showed how important traceability is in maintaining food safety.
15. What requests for additional funding for its food safety inspectorate has DAFF made to National Treasury, and what has been the response?



**The FairPlay movement** is a not-for-profit trade movement that fights for jobs. Its goal is to end predatory trade practices between countries so that big and small nations play by the same rules. It supports the principle that penalties for transgressing those rules apply equally to everybody.

FairPlay was founded in October 2016. In alliance with existing organisations and experts it formulates and promotes strategies to defend communities made vulnerable by predatory trade practices and promote sustainable livelihoods.

These alliance partners are international, currently from the USA, Canada, Ireland, UK, Ghana and South Africa.

FairPlay mission: To end the scourge of dumping as an immoral trade practice.

FairPlay vision: A world where dumping no longer exists, with free trade according to the rules.

<http://fairplaymovement.org>

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