DOES BUYING BRAZILIAN CHICKEN SUPPORT WORKER ABUSE?

If one accepts that employees who feel valued and are treated well deliver high quality outputs, then the food safety lapses in Brazil’s chicken industry should come as no surprise, given the well documented human rights abuses in its supply chain.

Exploitative labour practices that verge, in some cases, on outright slavery, are the dark side of Brazil’s much-vaunted international competitiveness. Examples of Brazil’s worker abuse are enough to let one’s blood run cold.

According to the Global Slavery Index, 161,100 Brazilians were trapped in modern slavery in 2016. Labour abuses in Brazil are well documented in studies and reports by the Institute for Agriculture and Trade Policy in Washington, by Germany’s Heinrich Boll Foundation and by Reporter Brasil. In 2017, the Brazilian government

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

HOW THE CHICKEN INDUSTRY CAN HELP STATE OF THE NATION OBJECTIVES

The South African chicken industry can make an almost immediate and cost effective contribution to the job creation, investment and economic growth that President Ramaphosa has made his national priorities.

In his 2019 State of the Nation Address, the president emphasised the need for job creation to boost economic growth and reduce South Africa’s horrific unemployment levels. He highlighted a number of government initiatives aimed at attracting investment, stimulating economic activity and creating jobs.

The chicken industry offers an immediate path to attain these objectives quickly and cost-effectively and calculates that it could create at least 30 000 South African jobs if chicken dumping were stopped.
approved a major Labour Code Reform that, in at least two cases, increased workers’ vulnerability to abuse and exploitation. The first expanded subcontracting from support services only to core staff, such as factory workers. Sub-contracted staff in Brazil earn 25% less than those directly employed, and tend to work longer weekly hours under more precarious health and safety conditions. The second change allowed negotiations over salary, working hours and conditions to be decided between employers and workers, and could be enforced even if conditions leave workers worse off than what is legally guaranteed. In practice, it legalises payments inferior to the national minimum wage and allows employers to impose lower salaries and working standards.

If people in the chicken supply chain are indeed treated this poorly, breaches in food safety standards should not be a surprise.

Surprisingly, the South African government – which is in a tripartite alliance with a labour federation – has not expressed concern or called for investigations into the country that supplies most of our chicken imports. It is a crime against local workers who lose their jobs as imports displace local production; against local consumers who are exposed to potentially unsafe food; and against some unfortunate and exploited Brazilians who work in slave-like conditions to produce meat for export and profit.

Moreover, the industry is capable of providing jobs in a number of categories President Ramaphosa touched on – industry expansion, agricultural development, support for black farmers, export growth, import substitution and the “Buy South Africa” campaign.

Not only is the chicken industry the largest component of South Africa’s agricultural sector, it also supports several others, including the grain industry that provides feed supplies to poultry producers, indirectly providing security of employment for 20,000 jobs on top of the 110,000 jobs directly employed. It is a hugely significant employer and is key to the country’s food security.

Demand for chicken has soared. But as a result of regulatory failings and other issues, this increasing demand is being fed by imports that do nothing for the SA economy, creating no rural jobs and requiring no South African grain as feed.

This looming disaster brought about by dumping can be reversed rapidly by curbing imports African producers are efficient and very competitive. The latest competitiveness report from the Pretoria-based Bureau for Food and Agricultural Policy (BFAP) ranks South Africa’s total production cost sixth out of 16 global poultry producing countries. This report clearly shows that South Africa consistently produces chickens cheaper than a number of leading exporting countries, including every country in the European Union. However, South African producers have no chance when they are forced to compete against imports that are either dumped below the cost of production, or come from countries whose agricultural industry enjoys massive government subsidies.

Thousands of new local jobs, many of them in poverty-stricken rural areas could be created with proper tariff protection and at zero cost to the government. More small farmers could enter the market, and we would see the re-entry of many black farmers who have been driven out of business by cheap imports.

The SA Poultry Association has applied for additional tariffs to give local producers the protection they need to invest and grow. One of the principal targets of this application is Brazil, which has set its focus on South Africa as other markets have closed their doors to them.

President Ramaphosa has said he wants more agricultural exports, including poultry. This is only possible if the government prioritises the need to put in place resources to carry out the official health inspections to the highest international standards. Without the required health certificates, South African exports will only meet closed doors in many potential markets.

Co-operation between government and South Africa’s biggest agricultural industry has huge potential to create jobs, which would spur investment and economic growth. Poultry should be a priority in the government’s jobs drive – 30 000 jobs await. And that’s just the start.

Photograph: Mathew Chattle / Barcroft
RISK OF UK DUMPING ITS CHICKEN ON SA IN NO-DEAL BREXIT

In the case of a no-deal Brexit which, according to EU negotiators, is looking more likely every day the FairPlay Movement has warned that there is a risk of the UK trying to dump its poultry products on SA’s market.

The not-for-profit trade movement on Friday issued a statement warning of the drawbacks for SA’s poultry industry in the case of a no-deal Brexit.

“South Africa may have to guard against a renewed flood of ‘dark meat’,” mainly leg quarters, drumsticks and thighs. Dark meat is mainly the leg quarters, drumsticks and thighs of the poultry. FairPlay labeled the imports as “job-killers”.

“A lot of the UK’s ‘dark meat’ currently goes to EU markets. If Britain crashes out of the EU without a negotiated exit deal, these markets could close and UK producers would be looking for alternative export opportunities,” FairPlay explained.

“As part of a negotiated fair deal, UK exports of dark chicken meat should be limited or subject to an agreed quota,” Francois Baird, founder of FairPlay said.

On the flipside, there could be an opportunity for SA to export poultry to the UK, FairPlay suggested.

SA’s poultry products are cheaper than any EU countries because of efficient production in South Africa. But the EU has blocked SA poultry from the SA market through non-tariff barriers such as sanitary and phytosanitary measures. Once the UK leaves the EU, it presents a potential new market for SA poultry exports, FairPlay explained.

“South Africa should be looking to negotiate a deal with the UK to ensure that SPS measures are not unfairly used to keep our chicken out of UK shops,” Baird said. “That would give workers in our poultry industry something to celebrate – breast meat in particular sells at a premium and South Africa can supply this at competitive prices.”

All this depends on the trade deal SA negotiates with UK, following Brexit.

SA wants to roll over an existing agreement between the Southern African Development Community and the EU, to a separate agreement between the UK, Mozambique and the Southern African Customs Union (SACU) of which SA is part, Fin24 reported. According to Trade and Industry Minister Rob Davies, reaching an agreement would be mutually beneficial for all.
DOUBLE STANDARDS FOR FOOD SAFETY PUT LIVES AT RISK

The standards of processing and labelling for locally produced chicken are higher than for imported chicken. This is a double standard that is harmful to consumers, especially those from lower income households. It is also a double standard that allows importers to boost their profit margins at the expense of traceability and food safety standards.

Here’s the thing: South African packing and labelling regulations demand that the content of a pack of locally produced chicken is clearly identified, for example, fresh means the meat was never frozen. The same regulations demand labels so detailed that, in the event of contamination, the chicken can be traced back to the farm that produced it and the feed it was fed.

The same requirements do not apply to imported chicken. One of the main differences is that imported chicken is allowed into the country in bulk packs, with no clear origin. This results in imported chicken often labelled vaguely as coming from any one of several countries.

Not only do these bulk packs avoid the detailed labelling and traceability required of South African producers, they flaunt food safety standards as they are thawed and broken up into smaller packs for distribution in the local market. Thawing and handling introduce health risks and, while major companies take great care to minimise these dangers, some smaller or unscrupulous operators are less hygienic, putting public safety at risk.

Recent health crises both in South Africa and Brazil, such as listeriosis illustrate the vital importance of traceability that is absent from imports, especially those from Brazil. When food safety can be a matter of life and death, full compliance with robust procedures should never be an option. Just last month, one of Brazil’s biggest state supported food producers recalled almost 500 tons of chicken due to salmonella contamination worries and last year the listeriosis outbreak in South Africa was the largest ever in the world, according to the World Health Organisation and caused the deaths of more than 180 people.

Any government concerned about the health and wellbeing of its population should waste no time to institute – and enforce – strict food safety measures. Legislated labelling standards would be an effective non-tariff barrier that protect public health and regulate wanton dumping.
GOVT SUPPORT FOR POULTRY INDUSTRY MUST TRANSLATE INTO POLICY AND ACTION – FAIRPLAY

The recent statement of government support for the South African poultry industry does not end the industry crisis caused by dumped imports, according to FairPlay, a not-for-profit international movement that opposes dumping and predatory trade practices.

This public support has been a long time coming and follows years of apparent indifference and criticism from FairPlay and others that the government is not doing nearly enough to halt the industry decline and help it to regenerate production and jobs.

"Critics may say that the statement constitutes little more than electioneering, considering the timing," said FairPlay founder Francois Baird. "But Government and the DTI, which issued the commitment to supporting the industry, know they will be judged on actions not words. We are looking forward to the implementation of real measures that deliver real outcomes."

The government commitment to ensuring a future for the beleaguered poultry industry is clear and comprehensive, and should produce welcome results. Government and the industry have not always seen eye to eye, and the statement envisages a cooperative approach, through the industry task team and a poultry industry master plan, that holds great promise.

The highest priority must go to stopping the ever-increasing surge of dumped chicken imports. "While that continues, the industry will remain in crisis. The DTI reference in its statement to an 82% tariff on imported whole chicken is misleading – whole chicken is a tiny fraction of chicken imports. What the industry has applied for is an 82% tariff on frozen chicken portions – these are the bulk imports that rise every year and which are causing cutbacks and significant job losses.

The task now, for both government and the poultry industry, is to turn the generalities of industry support statements – including trade measures, export support and measures to promote growth and transformation – into policy and action specifics.

The sooner there is an operational masterplan that brings together the strengths and capacity of industry and government working together for the good of the nation.
FAIRPLAY ON TWITTER

Selected highlights from tweets during March 2019:

FairPlay @FairPlayZA Mar 19
"As a contract grower I am protected to an extent, but dumping hits me when the companies I supply reduce orders." The reality of dumping through the eyes of a small farmer. Read more here: http://bit.ly/2HsrJGY

FairPlay @FairPlayZA Mar 17
Two chicken farmers agree: dumping does not only affect big companies such as RCL Foods and Astral, but all chicken farmers. Read their opinions here: http://bit.ly/2VQuOoa

FairPlay @FairPlayZA Mar 15
Food safety lapses in Brazil’s chicken industry should come as no surprise, given the well documented human rights abuses in its supply chain. Buying Brazilian chicken means supporting exploitative labour practices. Learn more here: http://bit.ly/2NW3IJH

FairPlay @FairPlayZA Mar 14
Lax labelling standards for imported chicken allow importers to boost their profit margins at the expense of traceability and food safety standards. The safety of consumers must come first! Learn more here: http://bit.ly/2XP11hC

FairPlay @FairPlayZA Mar 6
SA must impose tariffs on Brazilian chicken just as China has done to level the playing field and, in doing so, prevent harm to the local industry and protect local jobs. International trade is only fair when the playing field is level! Read more here: http://bit.ly/2XBLiSK
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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