SMALL PRODUCERS ARE VITAL TO SOUTH AFRICA’S POULTRY INDUSTRY

Throughout southern Africa the poultry industry value chain creates opportunities for employment growth, income generation and nutrition and opportunities for small and medium enterprises (SMEs) to grow.

In South Africa, the SA Poultry Association and its member companies have long recognized the importance both of contract growers and of small, medium and micro enterprises and have increasingly tried to cater to the needs of smallholder and emerging farmers by addressing issues affecting this growing sector of the poultry industry.

SAPA is in the process of fulfilling a dynamic capacity building and advocacy role, empowering provincial structures and developing partnerships with the state over time.

There is a real opportunity for both smallholder broiler and egg farmers to make profits and develop sustainable

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

FAIRPLAY CALLS FOR A BAN ON BRAZILIAN CHICKEN IMPORTS OVER FOOD SAFETY CONCERNS

FairPlay welcomes Brazil’s food safety prosecutions of 11 former BRF SA employees, and urges the South African government once again to tighten its food safety measures regarding Brazilian beef and chicken.

BRF SA operates in South Africa through its subsidiary BRF Foods Africa, an active member of South Africa’s Association of Meet Importers and Exporters, and vocal supporters of allowing chicken meat imports to flood the South African market.

Reuters news agency reports that, Brazil’s BRF SA, is under criminal investigation by the Brazilian federal prosecutors for allegedly evading food safety checks. The charges center around evidence of falsification of documents and labels between 2012 and 2018, and adulteration of ingredients in nutritional additive products for
businesses. Focusing on improving farm efficiencies as well as securing reliable markets can facilitate this.

Aziz Sulliman, Chair of the SA Poultry Association in a recent interview with Tinashe Mpasiri on 1873 FM shared his experiences as a small South African poultry farmer and the many challenges he has faced over the past 10 years.

Aziz says that in South Africa 2 million birds per week come from small contract growers. Among the many challenges for small farmers in the Northern Cape is developing a market for their product. Seventy percent of the costs of raising a chicken are feed and most small farmers buy feed in small quantities at higher costs since there is no feed mills.

Sulliman started his poultry business on his own but after 3 years he joined SAPA and soon realized the enormous benefits of all the knowledge and expertise that comes with being a member of a producers association like SAPA. SAPA is inclusive and represents large and small producers alike.

The greatest threat to large and small producers is the flood of cheap imports from countries like Brazil. Last year more than 500 million tonnes of chicken came into South Africa from Brazil, the EU and the US.

In rural areas chicken production is the easiest and ideal business to get into. So if South Africa wants to grow job creation in rural areas it needs to invest in and support the development of the poultry industry.

Sulliman is convinced that by working with all stakeholders including government, and through implementation of the poultry industry master plan, the job losses of the last 5 years can be reversed for large and small poultry producers alike.

livestock feed.

As the South African government well knows, the issue is not new – there have been complaints about Brazilian food safety procedures since the “Weak Flesh” scandal of 2017. FairPlay urged the authorities then to take action, but a temporary ban was lifted and Brazilian chicken imports have flooded into South Africa in record volumes.

While a number of countries have taken action against Brazilian chicken imports, Brazil remains the major source of chicken imported into South Africa. In 2018, South Africa imported a record 348 000 tonnes of poultry from Brazil, and 205 000 tonnes to September of last year. Much of this is could potentially have come from producers associated with BRF SA.

We should follow the example of the European Union that, for more than a year, has banned imports from 20 Brazilian meat purveyors, more than half of them from plants operated by BRF SA.

The Brazilian prosecution may take some time, but the food safety concerns in South Africa are immediate. FairPlay urges the government to impose a total ban on all chicken imports from Brazil until producers there can demonstrate to our veterinary inspectors that their meat is safe and their SPS procedures comply fully with international standards. Moreover the practice of South African importers to package together chicken portions from multiple countries of origin without proper labelling and traceability means we are incapable of identifying potentially unsafe chicken from Brazil or anywhere else.

This system should have been in place a long time ago. The Brazilian prosecutions show why it is necessary. Safe is always better than sorry.
LEADING SOUTH AFRICAN ECONOMIST CALLS ON SA GOVERNMENT TO MOVE ON POULTRY MASTER PLAN AND PUT A STOP TO UNFAIR POULTRY TRADE

In a recently published opinion article, Mike Schussler, chief economist for the leading private economic research house in South Africa, calls on the government of South Africa to move quickly on the recently signed poultry industry master plan and put an immediate stop to unfair poultry trade practices.

Schussler calls the Poultry Master Plan “a critical initiative that will help achieve coherence and stability for this strategic industry” but he points out that, the real battle for survival will be decided by how SA gets to grips with the multiple and complex challenges of international trade.

According to Schussler, agricultural trade is the least free trade in the world. Many countries offer support to their farmers and food-processing industries for reasons that range from food security to the political clout rural communities still have in many older democracies."

“Anyone competing against products that enjoy direct and indirect government support of 20% or more is at a huge disadvantage. Subsidised producers can ask less and still make higher profits. SA producers, on the other hand, receive little financial support. They simply have to work harder to increase efficiency and reduce production costs.”

As part of the new poultry master plan, the SA poultry and grain sectors have now come together to increase production of both chickens and grains and decrease feed prices for producers to further increase the efficiency of the SA poultry sector. Poultry producers also plan to work with retailers to package cheaper brown meat to reduce prices to consumers. The poultry sector has further committed to invest close to R2bn in new production facilities and employment. This should create about 3,500 jobs directly and two and half times that in total throughout the supply chain.

However, before the industry celebrates, one must keep in mind that international trade restrictions will not disappear. Poultry is the largest animal-agri sector in SA. If it fails, the ripple effect on the economy will be large. Not only will the job destruction be significant but also the current account balance will weaken by about 0.5% of GDP.

Food-production industries can employ more people at lower cost than the vehicle sector, and provide employment to vulnerable people in rural areas. They can also help keep price adjustments low and support the trade balance. South Africans must work together to avert the negative effects of job losses, growth inflation and the like. The poultry master plan offers hope as it relies mostly on local improvements for sustainability.

SA must not continue to be naive: every country in the world fights hard for markets, particularly in agriculture. Our government has to formulate more master plans and more ways to counter unfair and predatory trade practices such as dumping. From an economic point of view, that is the only way forward.
SOUTH AFRICA’S LAX TRADE POLICIES CREATE A GATEWAY FOR DUMPED CHICKEN IN NEIGHBOURING COUNTRIES

Charmain Lines writes that weak trade policies have made South Africa a gateway into neighbouring countries, allowing chicken imported into South Africa to cause untold damage to the poultry industries and the economies of neighbouring countries.

At a recent meeting between fair-trade-advocacy movement FairPlay, the South African Poultry Association (SAPA) and representatives from the chicken industries in Zambia, Namibia and Eswatini, the message from South Africa’s neighbours was clear: your exporters are part of the problem.

“Imports dumped in South Africa end up in neighbouring states and hurt producers there as well,” explained Izaak Breitenbach, GM of SAPA’s Broiler Organisation. “And due to inadequate regulation in Southern Africa or poor implementation of existing regulations chicken industries in our neighbouring countries are increasingly at risk.”

Many tonnes of the chicken that enter South Africa under existing trade agreements (plus an avalanche of dumped chicken from Brazil) are now also finding their way into neighbouring countries, in ways both legal and illegal.

“According to the SADC chicken industry representatives this situation allows unscrupulous importers and exporters to slip through the cracks caused by poor functioning of the Southern African Customs Union (SACU) and deficiencies in South Africa’s regulatory processes,” said FairPlay founder Francois Baird.

Dysfunctions in SACU, especially the current lack of regular engagements between member states, result in fuzzy understanding of the rules by custom officials, Baird said. “For instance, US chicken gain duty-free access into neighbouring states via South Africa under the AGOA banner – despite the fact that the US quota applies to South Africa only.”

According to SAPA’s Izaak Breitenbach, there was general consensus at the meeting that the shared objective is to protect local industries, local jobs and local consumers; and that a coordinated regional approach is the only way forward. “It was agreed that, for example, the entire region has to enforce the same food-safety and traceability regulations to make it impossible for products rejected by one country to end up on store shelves in another,” he said. “All of the industry players and governments across SADC have to work separately and jointly to prevent unfair trade practices from visiting further, and entirely preventable, hardship on the region.”

South Africa has the power to make an immediate, significant difference, firstly by announcing and implementing tariffs that will curb undesirable imports, and secondly by finalising and implementing the poultry master plan that was agreed to in November. Said FairPlay’s Baird, “The longer nothing is done, the greater the injury to not only our own economy, but those of our neighbours as well.”
FAIRPLAY CALLS FOR IMMEDIATE IMPLEMENTATION OF POULTRY MASTER PLAN

In an open letter to Industry Minister, Ebrahim Patel, FairPlay founder, Francois Baird called for urgent action on the Poultry Industry Master Plan.

While most South Africans enjoyed the year-end holidays and some rest, the same cannot be said for those whose jobs depend on the chicken industry. Nor those who are hoping to get new jobs in an expanded industry.

The poultry sector master plan was signed on November 6 by the government, the chicken industry, unions and chicken importers. The motivation was the urgent need to save the industry and its jobs from the predations of importers bringing hundreds of thousands of tons of dumped chicken onto the local market.

Two months later, nothing further has happened. The longer that continues, the happier importers will be – they don’t want the import curbs promised in the master plan, nor the tighter food safety regulations which could complicate their business.

Trade and industry minister Ebrahim Patel surely realises that nothing in the master plan is more important than the need to curb the predatory imports that have cost thousands of jobs and prevented the industry expanding and creating jobs. After that, everything else falls into place – increased exports, stimulated local demand and tighter food safety regulations on the labelling of imported chicken.

The master plan promised action to curb imports “soon”. No job creation tariffs have been announced despite the fact that these were expected months ago.

There’s a lot of work to get on with, not least of which is the urgent need to appoint a monitoring team to oversee and drive the complex tasks due for completion before the end of March.
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

FAIRPLAY ON SOCIAL MEDIA

Follow FairPlay  @FairPlayZA  http://www.facebook.com/fairplayZA/