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

**COVID 19: SUPPORT FOR DOMESTIC POULTRY PRODUCTION IS KEY TO SA FOOD SECURITY AS GLOBAL SUPPLY CHAINS BUCKLE**

South Africa unnecessarily imports 30 percent of its chicken consumption, mostly from Brazil, the US and the EU. This despite the fact that without dumped foreign chicken local poultry production could easily fulfill the nation’s needs.

The massive disruptions that are taking place in global trade will inevitably impact the supply of imported meat and poultry. Those countries that allowed dumped chicken imports to destroy local chicken production are putting at risk the domestic supply of affordable protein.

Even before the coronavirus spread to the EU, the US and Brazil the global poultry trade was being impacted. According to *Dry Cargo* a publication that monitors container shipping “so many containers, particularly refrigerated ones, vital for the export of Brazilian meats, notably beef, poultry and pork, remain unloaded in China, let alone flowing back to...

**IMPORT TARIFFS NOT ENOUGH SAYS FAIRPLAY**

In March the South Africa government gazetted increases to 62% on bone-in chicken portions, and to 42% on boneless portions. The SA poultry industry had applied for an 82% tariff on both categories, up from existing levels of 37% and 12%, respectively.

As reported by Bekezela Phakati, writing for *Business Day*, SA’s poultry sector has shed thousands of jobs and blames its demise on cheap chicken imports from Brazil, the US and Europe. This has brought it into conflict with SA meat importers, who blame the lack of competitiveness in the local poultry industry for its woes.

Francois Baird, the founder of FairPlay, said on Friday that the higher tariffs on predatory chicken imports from Brazil may well reduce importers’ profits, but...
countries such as Brazil." By the end of February this was already seen as a major obstacle to the return of normal trade patterns in 2020.

In March poultry production facilities in both Brazil and in the United States were forced to close because of workers being infected by the coronavirus. In Europe major chicken producing countries had to cull massive flocks of broilers because land transportation systems came to a halt as the virus spread throughout the continent.

One of the greatest fallacies about food security is the idea that removing protections for local agricultural production opens domestic markets for cheap food. The reality is that when local production is destroyed by cheap dumped imports, food security becomes dependent on foreign supply. The current pandemic teaches us that such dependency puts nations at risk of going hungry.

whether or not they will stem the tide of predatory trade and dumped chicken swamping SA shores remains to be seen.

"This is the first test of the poultry industry master plan signed at the end of last year. One of the plan’s objectives was to ‘contain’ imports so that the industry could recover, grow and create jobs," Baird said.

"To succeed, these new tariffs on chicken imported from Brazil, as well as earlier, higher duties on chicken imports from the EU, must prove to be sufficient to halt the surge of predatory imports and prevent further job losses, mostly in impoverished rural areas. FairPlay hopes this will be the case, but a steady rise in dumped EU imports after the lifting of bird flu bans suggests that further action will be necessary."

Chicken imports doubled between 2010 and 2018, discouraging investment in expansion and job creation. Because of inadequate protection, predatory imports have gobbled up most of the increase in demand for chicken at the expense of small-scale farmers and their workers.

"The SA chicken industry is in trouble because imports have grabbed nearly 30% of the local market. Real protection for the local industry, and a spur to job creation, would be to limit imports to 10% of local sales. Restrictions in the EU have kept chicken imports in that region to about 7%, so a sharp cutback here would be possible."

"Concerted action is needed against both Brazil and the EU to halt and then reverse the importers’ steady and concerted takeover of our local chicken market through predatory trade practices," Baird said.
SAPA WELCOMES NEW TARIFFS AS POULTRY INDUSTRY ROLLS OUT R1.5 BILLION INVESTMENT

The South African Poultry Association (SAPA) has welcomed the Minister of Trade, Industry and Competition, Ebrahim Patel’s announcement of the long-awaited tariff adjustment on imported chicken from a number of countries, including Brazil.

“The industry has for a long while been in distress due to unfair trade and the dumping of chicken into South Africa. As a key agricultural, food-producing industry that has been under threat, with repercussions for food safety, employment and rural economic development, we believe the tariffs granted by the minister after a comprehensive process of consultation are a step in the right direction,” says Izaak Breitenbach, general manager of SAPA’s Broiler Organisation.

Local producers supply approximately 70% of consumption in South Africa, and the new tariffs will apply to more than 30% of all imported chicken – imports from the European Union (EU) will not be affected. “The reaction of exporting countries may very well negate the desired impact of these tariffs, should they merely reprice surplus product. Only time will tell if the new tariffs work as intended,” Breitenbach cautions.

Breitenbach commended the minister for acting decisively and inclusively in driving the process that led to the Poultry Industry Master Plan and has emphasised the industry’s full support for all the pillars and actions set out in the plan. “The new tariff is a step to ensuring the long-term sustainability of the local poultry industry, which is the largest contributor to agricultural GDP in South Africa. The industry had already started rolling out a R1.5 billion expansion programme aimed at creating economic growth and jobs, based on its commitment to the Poultry Sector Industry Master Plan.

“Now that the tariffs have been finalised, we look forward to working together with minister Patel and the minister of Agriculture, Land Reform and Rural Development, Thoko Didiza, to realise all the other master plan objectives,” says Breitenbach.
DESPITE A WELCOME TARIFF ANNOUNCEMENT, DELAYS THREATEN OTHER ASPECTS OF POULTRY MASTER PLAN

The poultry sector master plan is already falling behind schedule. This means continued uncertainty for thousands of chicken industry jobs and further delays in the stimulatory measures, which will lead to industry expansion and job creation. In a country where millions upon millions of people can’t find jobs, this is unforgivable.

Most of the measures set out in the master plan are due to be completed by mid-2020, with a list of important deadlines to be met by the end of this month.

These include important food safety measures – a review of regulations to prevent the thawing and refreezing of imported chicken portions because of health risks involved, and a review of packaging and traceability regulations to ensure that all imports can be traced, and that producers meet required standards.

Traceability is crucial in the event of product contamination, and was shown in the 2018 listeriosis outbreak. Unfortunately for South African consumers, much of the imported frozen chicken offered for sale in South Africa does not meet the strict labelling requirements, which apply to local chicken.

These reviews are supposed to be done by the end of March, and there is no indication that progress is being made.

Running parallel to these food-safety improvements are supposed to be a variety of measures to promote chicken exports. State veterinary laboratories are due to be upgraded and staffed to enable the health certification required for raw meat exports, while cooked meat export opportunities will be explored and exploited.

Many of these plans, too, are due for completion by the end of this month, including export agreements and a “significant expansion” of some chicken exports. Again, there is no indication that the official machinery has sprung into action with any vigour.

The key to getting the master plan back on track is going to be the Poultry Sector Master Plan Council – an oversight body with responsibilities both for drawing up detailed implementation plans and seeing that they are adhered to.

That council is due to have its first meeting by the end of March, and then meet every quarter for the rest of this year. The Minister of Trade and Industry, Ebrahim Patel, has yet to announce who has been appointed to the council, or where and when it will have its first meeting.

The master plan identifies the council as crucial to the plan’s success, which will require “sustained implementation and ongoing commitment by a variety of players”.

Any dithering, or bureaucratic delays from officials tasked with drafting and overseeing the implementation of tasks, will not only result in further setbacks. They will undermine the credibility of the master plan itself.
NEW CHICKEN TARIFFS WILL BE A TEST OF THE POULTRY INDUSTRY MASTER PLAN

The FairPlay Movement welcomes the government’s announcement of higher tariffs on predatory chicken imports from Brazil.

A statement by FairPlay founder, Francois Baird noted that chicken imports into South Africa have doubled between 2010 and 2010, at a cost of thousands of South African jobs. Predatory trade in dumped chicken has discouraged investment in industry expansion and job creation at the expense of agricultural workers throughout the country as well as of small-scale farmers, their families and their workers.

One of the main objectives of the Poultry Industry Master Plan signed at the end of last year is to "contain" imports so that the industry can recover, grow and create jobs. Baird notes whether or not the higher tariffs will stem the tide of predatory trade and dumped chicken swamping South African shores remains to be seen. To succeed, these new tariffs on chicken imported from Brazil as well as earlier higher duties on chicken imports from the European Union (EU), must prove to be sufficient to halt the surge of predatory imports and prevent further job losses, mostly in impoverished rural areas.

The South African chicken industry is in trouble because imports have grabbed nearly 30% of the local market. Real protection for the local industry, and a spur to job creation, would be to limit imports to 10% of local sales. Poultry trade restrictions in the EU have kept chicken imports in that region to around 7%, so a sharp cutback here would be possible.

Concerted action is needed against both Brazil and the EU in order to halt and then reverse the importers' steady and concerted takeover of our local chicken market through predatory trade practices.

Imagine the local economic impact if the R6 billion that was paid last year to foreign producers of imported chicken had instead been spent on local production and local grain, all of which would have generated local tax revenue and, significantly, local jobs in rural areas where they are most needed.
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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