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

The following article was recently published by Business Day.

As a new food and agriculture-focused trade union, the Agricultural Food and Allied Democratic Workers Union (Afadwu) seeks to prevent job losses and promote job creation in the agriculture sector and its associated value chains. The interlinked poultry and maize industries are among the sectors on which the union is focusing.

Poultry is the largest component of the agricultural sector, and the industry purchases nearly half of the maize and most of the soya produced in this country. That’s a vital combination for the economy and a vital area for the protection and creation of SA jobs.

That is why Afadwu and FairPlay believe it is important to prioritise the implementation of the Poultry Industry Master Plan signed last year with the objective of expanding our internationally competitive poultry sector.
The master plan has a number of interlocking and job-creating components. Firstly, it is vital that decisive action is taken, as the master plan promises, against "unfair forms of trade and any attempts to dump products in our market". The local industry has applied to renew antidumping duties against three EU countries, and is considering anti-dumping applications against Brazil and four other EU nations. These applications need to be finalised and acted upon speedily, because the assault on local markets and local jobs has been sustained – the master plan notes that chicken imports increased fourfold in 20 years – and will certainly resume once demand recovers as coronavirus restrictions are lifted. Afadwu will support antidumping duty applications when they are lodged because dumping costs local jobs.

Steps have also been taken against unfair trade practices such as vague labels of origin on some imported chicken. The government has ended a dispensation that allowed SA consumers to be told that the chicken portion in a supermarket pack could have come from any one of nine countries. Unlike local chicken, which complies with strict labelling requirements, this imported chicken would be impossible to trace in the event of contamination.

We hope action is taken soon to end another food safety problem – the thawing of bulk frozen imports and repackaging and refreezing them into smaller packets for local distribution. Thawing and handling meat imports is safe only when done under strict safety protocols, and the master plan aims to eliminate the practice because of the food safety risks when the rules are not followed.

The Poultry Industry Master Plan is a jobs plan. Every step that increases local production increases local jobs. SA has a jobs crisis, and the master plan could yield 5,000 jobs in the agricultural sector over the next three years. It must be implemented urgently.

PLAAS TV NEWS LOOKS AT POULTRY MASTER PLAN

Izaak Breitenbach, General Manager of the South African Poultry Association’s Broiler Organisation and Beverley Mhlabene discuss with Lise Roberts of PLAAS TV News the state of the South Africa’s poultry industry and the impacts of the Poultry Industry Master Plan.

Breitenbach explains that the first thing that the master plan had to address was "what caused the industry not to grow and illegal trade was the major cause of the problem and we are addressing that now". The industry is committed to investing R1.7 billion in expansion. According to Breitenbach, “that is one portion of the pledge, the second portion of the pledge is where we are actually assisting a lot of small and medium enterprises to become independent farmers or to help independent farmers to become bigger commercial farmers; that process is going well.”

He explained that a third component involves building relationships with farmers who have even smaller businesses. SAPA has a growing membership of small farmers and regularly share industry information with around 870 of these business people in an education programme called “Let's Talk Chicken”.

But the master plan does not stop there. Aside from solving production issues, Breitenbach said that market access for local producers is the next key focus point. "It is important to realise that R6.1bn leaves the country through chicken imports and are invested in poultry industries in other countries. That money should be invested in South African industry instead."

In our next report we will highlight Beverley Mhlabene’s comments during this interview.
AN ONLINE OVERVIEW OF CHICKEN DUMPING IN SOUTH AFRICA

FairPlay has produced a concise overview of the effects of dumping on SA’s chicken industry: http://fairplaymovement.org/guide-to-dumping.

Many local chicken producers have been forced to close farms and retrench staff, due to increasing levels of predatory imports.

South Africa’s poultry industry has experienced a 400% surge in chicken imports over the past two decades. This jeopardises the country’s food security and negatively impacts on job creation and economic growth.

A large percentage of these imports are predatory – dumped below the cost of production. This guide provides a short overview and history of the scourge of dumping and predatory trade in South Africa’s poultry industry.

Brazil and the EU have become a major threat to the South African chicken industry, and by extension the grain industry which supplies huge volumes of poultry feed. They are a threat to the Southern African region, where the poultry industry is a major employer and a significant contributor to local economies and food security.

Poultry imports from Brazil have been climbing steadily in recent years. Official import statistics from the SA Revenue Service show that in 2017 South Africa imported 524 000 tonnes of chicken, worth R5.9 billion. By 2018 this had risen to 539 000 tons, worth more than R6 billion. In both years, more than 60% came from Brazil, which is the world’s largest exporter of chicken meat.

Imports make up nearly a quarter of local consumption, and exceed the output of any local chicken producer. South African imports have increased to 24% and rising, due to a predatory onslaught now led by Brazil.

This is poultry that could and should be produced in South Africa, in local facilities creating local jobs. Instead, local production is being squeezed and jobs are being lost. Chicken is South Africa’s cheapest and most popular form of animal protein, and demand is rising. However, increased demand is being taken up by imports, and local producers are suffering as importers grab market share.

This overview provides links to the following sections:

1 / A brief history of chicken imports and why tariffs are needed.
2 / The rapid rise in predatory chicken imports from Brazil.
3 / The SA Poultry Association’s most recent application for a tariff increase.
4 / The impact of agricultural subsidies on imports.
5 / Bulk pack imports and food safety concerns.
6 / Food safety scandals by Brazilian producers.
7 / Urgent actions we can take to save SA’s chicken industry.
8 / Notes: Why these steps are not anti-competitive nor protectionist.
9 / Notes: An introduction to duties and tariffs.
WEBINAR THURSDAY 19 NOVEMBER 2020, 2PM
OUR STUNTED CHILDREN:
HOW TO PREVENT WHAT WE CANNOT CURE

Join us and our panel of thought leaders as we discuss the critically important topic of child stunting in South Africa, its impact on our society and interventions to eradicate it.

FEATURED
DR KOPANO MATLWA MABASO, EXECUTIVE DIRECTOR OF GROW GREAT
DR MEERA SHEKAR, GLOBAL LEAD FOR NUTRITION AT THE WORLD BANK
DR MARC WEGERIF, ACADEMIC IN DEVELOPMENT STUDIES AT PRETORIA UNIVERSITY
FRANCOIS BAIRD, FOUNDER OF THE FAIRPLAY MOVEMENT

MORE THAN 1 IN 4 CHILDREN IN SOUTH AFRICA ARE STUNTED.

SEND US YOUR QUESTIONS

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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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