



SOUTH AFRICA POULTRY SECTOR: STIMULATOR FOR TRANSFORMATION AND ECONOMIC GROWTH

Wouter de Wet, chairperson: AFMA (Animal Feed Manufacturers Association) examines the South Africa poultry sector as a stimulator for agricultural and economic growth.

He writes that arguably one of the biggest challenges president Cyril Ramaphosa and his newly appointed cabinet will face, is the issue of land reform and how to address it without risking food security and agricultural growth. Healthy growth within the agricultural sector will simplify this task.

The South African poultry industry utilises 40% of the 11 million tons of feed produced within the country's borders. The feed industry utilises 50% of the maize produced and demand for soya currently exceeds supply. It is clear that a healthy and growing poultry industry could stimulate significant

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



REPORT: A FIFTH OF BRAZILIAN CHICKEN EXPORTS ARE CONTAMINATED WITH SALMONELLA

An investigation by the Guardian, Repórter Brasil and the Bureau of Investigative Journalism has found that thousands of tonnes of salmonella-contaminated chicken have been exported from Brazil during the past two years. In humans, salmonella poisoning can be life threatening, particularly in infants and the elderly.

Brazil is the largest exporter of frozen chicken in the world. But about one in five of its birds are contaminated with the food poisoning bug salmonella.

In countries with high standards of food safety and close monitoring, such as the UK, salmonella rates range between 1.5 percent and 2 percent. Yet Brazilian food standards record much higher salmonella rates, according to Professor Bernadette de Melo Franco, a food safety expert at the University of Sao Paulo. "The frequency of

growth in the agricultural value chain.

The topic of imported chicken has been debated countless times. The negative impact on and risk to the local industry is well documented, with thousands of jobs having already been lost in recent years as factories have had to close or scale down.

A switch from imported volumes to locally produced chicken would not only stimulate agricultural growth, but it would also provide a springboard for hundreds of thousands of start-up, small-scale farmers, which can potentially address some of the socio-political challenges faced in South Africa.

Protecting the poultry sector from cheap imports has huge potential for transformation and growth, according to de Wit.

His calculations estimate that, assuming it's theoretically possible to replace all 500 000 tonnes of imported chicken with locally produced chicken from informal farmers, it would mean:

- An additional 800 000 informal farmers who will be raising 100 broilers every 45 days.
- Additional feed per year of roughly one million tons from the feed industry. For context – that would generate 30% growth in the broiler feed sector and almost 10% growth in total feed produced in South Africa.
- An extra one million tons of maize and soya that must be produced – which means a roughly 7% increase in local demand for maize. That would mean more than 200 000ha of farmland planted with maize and soya.

With transformation and land reform currently high on the agricultural agenda, transformation can be accelerated significantly if it coincides with a growth event or opportunity such as this.

detection of salmonella in Brazilian poultry is 20%, which means one in five birds results positive for salmonella.”

The head of the Brazilian food safety authority, Ana Lucia Viana, admits that the country's 20% contamination rate is too high.

The reputation of the Brazilian meat industry has already suffered serious damage. A scandal known as [Operation Weak Flesh](#) erupted in March 2017. Some inspectors in Brazil were alleged to have taken bribes in return for signing off on substandard meat, including some contaminated with salmonella. Eleven officials have since been convicted.

The Brazilian authorities resolved to crack down on the poor food safety standards. However, data analysis by Repórter Brasil, working with the Bureau and the Guardian, found that salmonella-contaminated meat from Brazil continues to be exported.

Tests have discovered salmonella in more than 370 consignments of Brazilian chicken and other poultry meat shipped to the EU since April 2017. Salmonella-contaminated meat has been shipped to more than a dozen EU countries. UK border inspectors have detected thirteen shipments of contaminated chicken from Brazil in 2019.

The investigation has established that significant quantities of the Brazilian dirty chicken detected at UK ports since April 2017 were supplied by two of the country's (and the world's) biggest meat companies, JBS and BRF, or their subsidiaries. Brazilian exporters are members of South Africa's Association of Meat Importers and Exporters (AMIE).

The South Africa Poultry Association and the FairPlay Movement have consistently demanded that food safety standards be rigorously applied to all imports in order to protect South African consumers.

In the interests of public safety and as a matter of absolute urgency FairPlay continues to urge the South African Government to:

- Clearly define food safety standards such as microbiotic and antibiotic residuals and poultry abattoir grading for imported chicken.
- Require full traceability documentation to define the origination of the poultry meat.
- Define the acceptance and rejection criteria for imported chicken at port level.



AFRICAN AND EU TRADE UNIONS UNITE TO DEMAND TRADE AGREEMENTS COMPLETELY EXCLUDE EU AGRICULTURAL PRODUCTS

Trade unions representing 61 million workers in Europe and Africa have slammed the EU over its trade partnerships with Africa.

In a [joint statement](#) the European Trade Unions Confederation and the International Trade Union Confederation-Africa have expressed "grave concern" regarding the negotiations for Economic Partnership Agreements (EPAs) between the EU and regional groupings in Africa including SACU.

The unions have collectively called for in-depth changes to both the content and the guiding principles of EPAs to ensure that they promote economic growth and sustainable development.

In particular, the statement calls out the risk to agro-industries in Africa.

To understand the serious concerns of workers represented by these organizations, one only has to look at the impacts of the EU dumping of frozen chicken parts and how it has wiped out the poultry industry in Ghana and almost did the same in Cameroon but for robust Government and societal intervention and now threatens South Africa.

According to the joint statement "the EPAs currently under negotiation and those that have been signed pose significant risks to sustainable development, stable employment, labour standards and public services as well as democracy in African countries".

The statement further notes: "No country has industrialised without using tariffs to nurture and develop ... there is high risk of negative consequences on agro-food production in African countries, as the EPAs are to decrease tariffs on agricultural imports, and therefore protection, over time."

The Unions call on the EU and African groupings to stop the negotiations, withdraw from and reform signed agreements based on certain principles including:

- Agricultural products from the EU should be completely excluded from liberalisation because the European agricultural sector is subsidised. Tariffs of 20 per cent are sometimes too low to effectively protect sensitive markets in African countries. African governments must have the ability to vary tariffs to ensure their food security. Special care should be taken not to further worsen Africa's food deficits, and particular attention should be given to the condition of life and work of rural workers
- Countries must retain the ability to vary tariffs and other protections to allow African countries to develop. This must include the ability to exclude sectors where women and vulnerable groups are particularly likely to be disadvantaged by liberalisation.

The African Regional Organisation of the International Trade Union Confederation (ITUC-Africa) is a pan-African trade union organisation with 16 million declared members and 101 affiliated trade union centres in 51 African countries.

The ETUC is the voice of workers and represents 45 million members from 90 trade union organisations in 38 European countries, plus 10 European Trade Union Federations.



PREDATORY IMPORTS EAT SMALL FIRMS

Writing in the *Saturday Star*, Charmain Lines, examines the plight of South Africa's small scale chicken producers in the face of massive dumping of cheap chicken imports by Brazil and the EU.

Five emerging chicken entrepreneurs share their stories, and draw a clear picture of how predatory imports continue to smother their massive growth potential, or worse, is driving them out of business.

Their stories demonstrate that there is more to South Africa's chicken industry than its large integrated producers. These companies that supply their own feed and day-old chicks, and have their own broiler farms and processing plants, are models of efficiency and economies of scale.

According to Clive Tigere in Limpopo. "I see a compelling business case to expand my own operation. The only thing stopping me is the fact that my market has drastically reduced." Tigere blames predatory imports flooding the Limpopo market.

A qualified statistician, Tigere has done his homework about imports and knows that the reason countries such as Brazil can afford to export chicken portions in bulk to South Africa at next to nothing is because these products have no value in their country of production.

Clement Pilusa, whose broiler farm outside Pretoria carries 12 000 birds at any given time, says predatory imports are hurting him too, despite the niche he has carved in the hospitality industry.

"Even the restaurants that buy whole baby chickens from us don't only use local; they buy dumped frozen imports too. This limits our growth."

The stories that the five small-scale producers have shared with Lines all have a common theme: the impenetrable ceiling that predatory imports have dumped onto their growth potential. All of them are astute business people who identified, and continue to identify, unique market gaps to fill.

However, as the cheaper dumped chicken floods into supermarkets, wholesalers and spaza shops, the independent producers are increasingly trapped in niche markets – which are also, slowly but surely, shrinking.

South African entrepreneurs of this calibre deserve to flourish and grow, not remain confined to small markets that predatory exporters cannibalize.

These business people should be the lifeblood of our economy, creating the jobs that are so sorely needed, while providing high-quality food at affordable prices.

Instead they are the collateral damage of unfair chicken trade.

The Government must put a stop to this predatory trade and free up our potential to grow jobs, the economy, food security and social stability especially in our most vulnerable communities.



CHICKEN IMPORTERS HIDE PROFITS WHILE COSTING SA JOBS

Writing in *Engineering News*, FairPlay Founder, Francois Baird, calls out the campaign of misinformation by South Africa's meat importers.

Baird asserts that the chicken importers are desperate because higher tariffs on the flood of Brazilian imports, will mean lower profits for importers, who are making millions in profits as the local industry suffers and sheds jobs.

Led by the Association of Meat Importers and Exporters (AMIE) with loud assists from its junior partner, the Emerging Black Importers and Exporters South Africa (Ebiesa), they leave a trail of grossly inaccurate assertions that not just fail to inform the public of the true state of affairs but in fact obfuscate the truth.

Ebiesa falsely claims that imports are not damaging the local industry. They blindly ignore the job losses and contractions that have resulted from nearly a decade of ever-increasing chicken imports, much of it dumped in South Africa below the cost of production. They fail to mention that authorities have already determined that harm has been and is being done by the dumping that importers are defending.

Chicken imports create no South African jobs in production, or in the maize and soya industries that provide substantial amounts of poultry feed, but instead support jobs in the scandal-ridden Brazilian meat industry.

Importers attack the local industry calling it monopolistic, inefficient, untransformed and unable to solve the problems it faces. Again, it ignores the fact that the industry crisis has been precipitated by predatory imports, which is why the industry has applied for tariff protection as it is entitled to do under World Trade Organisation (WTO) rules. They ignore the thousands of small-scale farmers under threat and the progress already made with transformation in the South African chicken industry.

Importers love the status quo that gives them fat profits gained at the cost of local producers and consumers, jobs and ruined opportunities. They satiate on fat profits made from cheap dumped chicken because low import prices are not passed on to consumers. And they pretend this is in the national interest. It's a national disgrace.



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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