



DESPITE CLEAR EVIDENCE OF DUMPING SOUTH AFRICAN SURROGATES OF BRAZILIAN AND US TRADE PREDATORS PROMOTE IMPORTED CHICKEN

Earlier this month *Farmer's Weekly* examined the impact of mountains of frozen chicken that have accumulated in the US and Brazil during the pandemic.

As COVID-19 trade restrictions slowly ease, chicken industry stakeholders fear that a resumption of massive amounts of dumped chicken will once again flood South Africa, thus undermining rural job creation and any other gains intended by South Africa's Poultry Industry Master Plan.

Farmer's Weekly previously reported that players in South Africa's broiler value chain had welcomed the March 2020 announcement by the Minister of Trade, Industry and Competition, Ebrahim Patel, that the import tariff on frozen bone-in and boneless chicken portions would increase from 37% to 62%, and 12% to 42% respectively.

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



SA POULTRY MASTER PLAN IS ALREADY ENCOURAGING SECTOR EXPANSION

Writing in *Engineering News* Marleny Arnoldi reports South African poultry producers have already delivered on some of the R 1.7 billion that they committed through the Master Plan to expand and improve chicken production capacity in the country. Among the projects already completed is the expansion of a hatchery and processing facility that has created 428 new jobs.

The poultry industry expansion under the Master Plan is also helped and supported by a financing model for contract farming that has been developed to assist in assessing producers' business viability and profitability. Additionally, the Department of Agriculture, Land Reform and Rural Development has ring-fenced R1.2 billion for assistance to financially

At the time, the poultry industry expressed its hopes that these measures would deter continued dumping of low-cost chicken by certain export countries. Statistics published by the South African Revenue Service showed that from 2016 to 2019 well over 500 000 tonnes of poultry meat was annually imported into the country.

Clear evidence of dumping has been revealed in a study by South African foreign trade consultancy firm, FC Dubbelman & Associates, which found that "90% of imported [chicken] meat sold in South Africa was sold below the exporting countries' production costs and/or the chicken sales prices in those countries."

FairPlay founder Francois Baird warned South Africans to be sceptical of any campaign by local importers to promote imports without acknowledging the real dangers posed by dumping. Baird called out patently false claims such as the one that chicken imports are "necessary" because South African producers are supposedly unable to produce enough chicken for the country's consumers. Nothing could be further from the truth.



distressed small-scale farmers, in a bid to support good production amid the nationwide lockdown.

South Africa's poultry output grew by 5% during the first eight months of the year, compared with the first eight months of last year, despite the challenges to the operating environment presented by COVID-19.

The poultry industry is the biggest agricultural industry in South Africa, employing more than 100 000 people throughout the value chain, with about three million birds being slaughtered every day in the country.

The South African Poultry Association has said that the industry aims to increase production by between 10% and 20% by the end of 2022, which will require investment in processing facilities as well as farming to produce the chickens.

The association reported during a recent executive oversight committee meeting that the industry and government have reflected on the implementation of key actions agreed on by various stakeholders and measures required to realise the agreed vision.

According to the DTIC, "the South African poultry industry is an important part of the agricultural sector. The Master Plan provides a blueprint for the industry, with substantial potential to expand the poultry production across the value chain, especially if substantial export markets can be developed.

"Since the Master Plan was signed, government has implemented higher tariffs on certain cuts of poultry, and has further triggered an investigation into the structure of tariffs to provide a more effective trade environment for poultry. Further work has also been done with trading partners to improve compliance with sanitary and phytosanitary measures which would unlock further export markets."

CHICKEN IMPORTERS LAUNCH AN ONSLAUGHT OF FALSE NEWS TO UNDERMINE SOUTH AFRICA'S POULTRY MASTER PLAN

South Africa faces a wave of dumped chicken imports because large producers in government-supported markets like Brazil and the EU have built up mountains of frozen product during coronavirus lockdowns.

Setting the stage for that avalanche, foreign-dominated meat importers seek to deceive South Africans and make a mockery of the Department of Trade and Industry's diligent work on a Poultry Master Plan to revive and grow this strategic industry, which directly and indirectly employs 110 000 people.

Importers want to bully this country into submission before the destructive force of predatory trade. In order to increase their exports to South Africa, producer countries have to counter the opposition to dumped chicken imports that has built up in recent years, led by FairPlay.

But they can only make headway if they create a false reality and convince the South African public that local producers are overreacting when they demand fair terms of trade. Importers have to convince the public that imported chicken is necessary to feed the nation, when in reality predatory trade undermines our food security and makes us dependent on them.

The public will be fed false claims such as:

FALSE CLAIM NO.1

The idea of a wave of imports is nonsense. South African chicken imports have declined sharply and are still dropping. FALSE.

The decline in imports is only temporary. It's been caused by a combination of disrupted supply chains, reduced demand because of the economic effects of the pandemic, higher tariffs and exchange rate changes that made imports more expensive. Dumping has taken place for nearly two decades, and will resume in force when producing countries feel the moment is right.

South African producers are unable to supply more than 70% of the local market. If imports are not allowed, then poor people in particular will go hungry. FALSE

The truth is that South African producers could supply the entire local market if a level playing field was enforced, meaning that predatory imports would be stopped. Increased local production is what the Poultry Sector Master Plan envisages, and as co-signatories of the plan, local importers should be supporting its commitments. Moreover, South African freezers are also full of chicken for sale, due to the effects of the lockdown.

FALSE CLAIM NO.3

South African chicken producers don't need protecting. They're uncompetitive because they're inefficient. They need strong competition via imports to get them into shape. FALSE

The exact opposite is true. South African producers are among the most efficient in the world, and produce chicken at lower cost than every country in the heavily subsidised EU. This "inefficiency" argument is false, but it hasn't stopped importers spinning it repeatedly in order to deceive the public.

As FairPlay founder Francois Baird notes: "We have seen these false flag arguments before and they are intended to set the scene for that wave of imports to follow. Mark my words. Bring anti-dumping cases now!"





STUDY: THE ONLY SUSTAINABLE SOLUTION TO THE FOOD CRISIS IS FOOD SOVEREIGNTY

The FairPlay Movement and the South African Poultry Association have long maintained that food sovereignty in South Africa is both essential and attainable.

Before the pandemic, chicken farming and the poultry industry were devastated due to the impact of opening the South African market to dumped chicken from the EU, Brazil and the US. The disruption of supply chains during the pandemic has provided stark confirmation that the nation's food security would be at risk was there is a reliance on imported food.

A recent [Op Ed in *Daily Maverick*](#) by Courtney Morgan and Katherine Brown examines, in depth, South Africa's hunger crisis. From the outset the authors look at a number of unfolding crises, driven in part "from a vacuum of leadership, legacies of apartheid, colonialism and entrenched patriarchy, the most vulnerable in our society are bearing the brunt of these crises. Poor black women and children, in particular, live at the intersection of multiple crises and also act as shock absorbers for their communities. Hunger is a case in point."

On the issue of hunger Morgan and Brown point to the issue of food sovereignty: "In the long run, the only sustainable solution to the food crisis is food sovereignty: giving people ownership of the means to produce their own food and create their own food systems. This can be provided through meaningful long-term engagement between civil society organisations, small-scale farmers, and the private and informal food sectors. Sustainable food solutions are key to mitigating the food crisis in South Africa and making hunger an issue of the past."

When a country is reliant on food imports, hunger follows when supply chains are disrupted. But to sustainably address food security, in addition to large-scale investments in food production and processing, the government should encourage grassroots efforts to support small-scale farms that can be used to feed communities at a local level.



UNSAFE FOOD THREATENS OUR FOOD SECURITY

The COVID-19 pandemic has proven that South Africa is also vulnerable to food insecurity. Francois Baird, the founder of the FairPlay movement says this leaves room for unscrupulous food suppliers and producers filtering unsafe food products into local markets.

Unsafe food threatens our food security, which in turn threatens our social stability.

Questionable chicken meat is most likely to be imported because producers such as Brazil and the EU need to find markets for their cheapest chicken meat, which may not always meet the quality standards of developed markets. South Africa, and the rest of Africa, is where they get away with dumping the worst quality meat.

The government is not doing nearly enough to protect the public from health risks that may be associated with dumped chicken. From ports of entry, through to facilities where bulk imports are thawed and repackaged, to then distributed for sale to consumers in urban and rural areas, there is inadequate regulation and inspection.

Not all imported chicken is unsafe. The problem is that we don't know how much of it is or might be unsafe because of inadequate regulation, inspections and testing at the point of entry and at processing facilities.

It's a dangerous combination. Inadequate inspections at ports, unsafe handling and inadequate labelling requirements for imported chicken can result in unsafe chicken meat finding its way onto our market to be sold to poor people who don't have the luxury of choice. In the event that this threat is realised, we face a food security crisis because to be food secure one must ensure that the food is safe.

Government must act to more strictly regulate food imports, particularly chicken meat, to ensure safety. Regulations on labelling must be tightened to be in line with the requirements for local producers. Traceability back to the processing plant and abattoir of origin for all meat products (particularly chicken) must be made mandatory – the technology for this is available at low cost. Inspections and testing at ports must be stepped up; this can be self-funded because it will also reduce under-declaration or incorrect declaration to evade duties and tariffs.

Food safety is a requirement of food security and food security is a requirement of social stability. This is something we must provide for ourselves, we cannot import it and we cannot outsource it – without being self-sufficient with safe food, we court the prospect of a failed state.



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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