

South African meat producers fear dumping

Thousands of tons of beef will be imported from Botswana to meet South Africa's red meat demand but the Red Meat Producers' Organisation says the imports will have a "drastic impact" on local producers.

Though regional Southern African Development Community agreements stipulate the imports to South Africa cannot be limited, the local body says it has "taken steps" to ensure no dumping occurs.

Chief executive Gerhard Schutte says prices for the 3 500 tons of Botswana beef sold in South Africa will be closely monitored. "They cannot sell the beef here for less than it costs them to produce," he says. But he concedes that Botswana's production costs are lower than South Africa's and says is an "issue of competition".

"It is good news for local consumers," says Schutte. "Greater supply will bring down prices."

Botswana's meat trade is handled by the Botswana Meat Commission (BMC), whose abattoirs in Lobatse and Francistown were part of South Africa's Red Meat Abattoir Association before the organisation resigned last month.

Schutte says Botswana abattoirs by agreement used South African prices as a basis for theirs. "They have now said they will have their own system," he says.

Behind these developments has been an outbreak of foot-and-mouth disease that has disrupted Botswana's meat trade with the European Union.

The BMC says it lost more than P400-million between 2009 and 2011 and forecasts a loss of P77-million this year.

Besides foot-and-mouth outbreaks "in Botswana and neighbouring states" it also blames the international financial crisis, exchange fluctuations and "loss of the lucrative European market for the 18 months from the beginning of 2011".

The Botswana government has provided loans of more than P350-million to the BMC this year.

The delinking from South African abattoirs will allow the BMC to distinguish between "EU compliant" and "non-EU compliant holdings" and charge different rates for the meat it produces. It hopes the EU trade will resume soon.

The stoppage has caused a "massive" build-up of stock in Botswana and South Africa, using up its cold-storage facilities and making it unable to store meat for the European Union market.

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