

# Measures for poultry relief on the wing

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Trade and Industry Minister Rob Davies is expected to announce a range of measures shortly, including incentives and other forms of support, for the beleaguered poultry industry. The measures emerge from the work of a task team involving the department, industry, and labour that was established in November 2016 to investigate the crisis facing the industry.



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The industry is facing job losses and plant closures as it battles against a flood of low-priced bone-in chicken imports from the EU. The crisis was the subject of a public hearing by parliament's trade and industry committee on Thursday, with a key issue being whether the problems were [due to dumping by the EU or because of its lack of competitiveness](#).

## Incentives and support

Garth Strachan, Department of Trade and Industry deputy director-general, said on the sidelines of the proceedings a ring-fenced incentive was envisaged for the sector within the department's incentive for agro-processing.

Reciprocal conditions for the incentive, which would be a grant, were being negotiated with the industry, Strachan said. The industry would have to undertake not to shed jobs, to undertake transformation and put up investment matching the grant to raise competitiveness.

Chicken producer Country Bird has already put a plant closure on hold pending such support measures.

Support will be provided for investing in machinery and equipment to produce mechanically deboned meat that is currently imported and used in polonies, sausages, and pies.

Strachan said the programme presented a big opportunity for black economic empowerment. South African Poultry Association CE Kevin Lovell welcomed the move as it would localise this production. Most of the imports of mechanically deboned meat, about 195,000 tonnes a year, come from Brazil.

## **Other measures**

Other measures in the pipeline are to designate chicken for local procurement by government and state-owned entities. The main issue that has delayed this has been the traceability of the product as being locally produced, Strachan said. Providing support for poultry exports and addressing input costs of soya and maize were also part of the measures.

Davies has already approved a 13.9% safeguard duty against bone-in chicken imports from the EU and the International Trade Administration Commission (Itac) is investigating whether this should be raised. It is expected to submit a recommendation to Davies at the end of May.

Itac chief commissioner Siyabulela Tsengiwe said the problem could not be reduced to one of dumping. A long-term industrial strategy was required to prevent the industry from repeatedly requesting tariff protection in future.

*Source: Business Day*

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