

POULTRY MEAT IMPORT TARIFFS

PORTFOLIO COMMITTEE ON AGRICULTURE, FORESTRY AND FISHERIES



agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

OUTLINE

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1. SYNOPSIS

❖ Application to ITAC by the South African Poultry Association (SAPA):

- An increase in the rate of customs duty on five frozen poultry products:
 - ✓ carcasses;
 - ✓ whole birds;
 - ✓ boneless cuts;
 - ✓ Offal; and
 - ✓ bone-in portions.
- Reasons for application:
 - ✓ Low priced imports impacts negatively on further investment in the poultry industry and associated industries in SACU;
 - ✓ Imports of extremely low priced frozen poultry meat were increasing rapidly;
 - ✓ Producers in SACU are in a distressed financial state; and
 - ✓ This has forced some small and medium sized producers to shut down: certain large producers reduced their workforce.

❖ ITAC requested stakeholder (including DAFF) to comment on the application.



2. DAFF'S INPUTS ON THE APPLICATION

- ❖ DAFF was requested by ITAC to provide comments and inputs on the application.
- ❖ The department supported an increase in the rate of customs duties for frozen poultry meat based on the following:
 - That the government cannot afford to watch small and medium poultry producers being squeezed out of poultry production by cheap imports;
 - increased level of protection will assure the industry of reasonable return on investment and lead to increased investments in the poultry industry;
 - Given the importance of the poultry industry in South Africa in terms of its contribution to GDP and employment creation, it is critical that the industry be protected by all means; and that
 - Increased tariff is likely to lead to an increased domestic production, employment creation and improved income for producers.



3. DECISION BY ITAC

- ❖ After taking into account comments from stakeholders, the Commission decided to increase import duties for the products in question as follows:

Tariff subheading	Product	Existing Duty	Recommended Duty
0207.12.90	Whole bird	27%	82% bound rate
0207.14.10	Boneless cuts	5%	12%
0207.14.90	Bone-in portions	18%	37%
0207.14.20	Offal	27%	30%
0207.12.20	Carcasses	27%	31%

- ❖ The Commission further recommended that the duties be reviewed after a period of 5 years to determine the impact on domestic production, investment and employment.

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