



W E R T H E I M B E C K E R

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DEPARTMENT OF AGRICULTURE,

FORESTRY AND FISHERIES

ATTENTION: THE DIRECTOR-GENERAL:

MR LANGA ZITA

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PER COURIER

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PER EMAIL: DGoffice@DAFF.gov.za

AND TO:

THE MINISTER OF AGRICULTURE, FORESTRY

AND FISHERIES

ATTENTION: MS T JOEMAT-PETTERSSON

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AND TO:**THE PORTFOLIO COMMITTEE: AGRICULTURE, FISHERIES AND****FORESTRY****3rd FLOOR, PARLIAMENT STREET****PARLIAMENT****CAPE TOWN****8001****PER COURIER****ATTENTION: MR MLUNGISI LULU JOHNSON****PER TELEFAX: (021) 403 8677****NO. OF PAGES: 6****PER EMAIL: mjohnson@parliament.gov.za****AND TO:****ATTENTION: MS DINEO MARTIN****PER TELEFAX: 086 693 9468****NO. OF PAGES: 6****PER EMAIL: dmartin@parliament.gov.za**

Our Ref: A Kika/jn/37795 Your Ref:

Date: 18 June 2012

Dear Sir

**RE: THE RED MEAT INDUSTRY FORUM – SUBMISSIONS MADE TO THE PORTFOLIO
COMMITTEE ON AGRICULTURE, FORESTRY AND FISHERIES ON 13 SEPTEMBER 2011**

1. As you are aware we act for and on behalf of the Red Meat Industry Forum (“the Forum”). The Forum represents the interests of various groups in the Red Meat Industry and, it is a national representative structure of the South African Red Meat Industry.

2. On the 13 September 2011, the Forum complained that it unsuccessfully attempted to engage the Minister of Agriculture, Forestry and Fisheries (“the Minister”) and the Department of Agriculture, Forestry and Fisheries (“the Department”) and the various responsible functionaries in the Department on the following issues:
 - 2.1. the failure by the Department to take appropriate steps to ensure the reinstatement of South Africa’s Foot and Mouth Disease (FMD) free zone status with the World Organisation for Animal Health (“OIE);
 - 2.2. the registration of abattoirs;
 - 2.3. an independent meat inspection service;
 - 2.4. a failure of the Directorate of Animal Health to comply and enforce the provisions of the Animal Diseases Act (Act 35 of 1984) in respect of quarantine stations, importation of animals and animal products into South Africa, fences and compensations;
 - 2.5. the need to formalize South Africa’s Import Policy with other African countries;
 - 2.6. the proposed Fertilizer and Feed Bill;
 - 2.7. the loss of South Africa’s export status;
 - 2.8. the Namibian Small Stock and Exporting and Marketing Scheme;
 - 2.9. the dispute resolution measures under the Animal Diseases Act and the Meat Safety Act (Act 40 of 2000).



3. The Forum further complained that despite repeated requests to the Minister and the responsible functionaries in the Department, the Department has failed to meet with the Forum on the abovementioned issues or has failed to address the abovementioned issues satisfactorily or at all.
4. The abovementioned issues are of a serious nature and impacts directly upon the entire Red Meat Industry and part of South Africa's food safety and security, if left unaddressed.
5. Pursuant to the submissions made by the Department, on or about October 2011, the Department forwarded a comprehensive response to the Portfolio Committee in response to the Submissions made by the Red Meat Industry Forum, which were presented on 25 October 2011.
6. On the said date, Mr Johnson, duly supported by the Portfolio Committee, instructed the Department and the industry at large to engage on the issues raised by the Forum.
7. Consequently and on 23 November 2011, at the Midrand Conference Centre, a workshop between the Department and the Red Meat Industry Forum was held chaired by yourself. A copy of the notes taken during the workshop between the Department and the Forum are attached hereto marked "A".
8. In terms of the workshop, it was agreed that the decisions taken, were required to plan the way forward.
9. At the workshop it was reiterated that the Forum wished to engender an environment of cooperation and to find a workable communication structure and not be seen as an adversary
10. On 2 February 2012, the Forum, represented by Mr Dave Ford, addressed a letter to Mr Zita in terms of which he requested to follow-up on the discussions held at the workshop. He further enquired as to the progress being made on the issues that the Department undertook to address, which included *inter alia*,

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a checkmark-like flourish.

- 10.1. the detailed plan on the way ahead for South Africa to apply to the OIE for re-zoning;
 - 10.2. the CA and TB programme update;
 - 10.3. the vacancies of the Veterinarians service posts;
 - 10.4. the OIE standard evaluation of veterinary services;
 - 10.5. the industry concerns on private quarantine station facilities;
 - 10.6. illegal meat imports;
 - 10.7. the issuing of Lesotho grazing permits;
 - 10.8. the Namibian small stock marketing scheme.
11. To our client's disappointment, no response was received to this correspondence.
12. After a meeting with Dr Molefe on the proposed Independent Meat Inspection Services, the Forum was eagerly waiting for information on the alternative proposal to the shareholding option between industry and the Department. A guideline document of the Department as to the requirements to act as an assignee and the business plan which was drafted between the Department and the Industry were circulated and debated. Dr Molefe undertook to have the final proposal on the Minister's desk by the latest, 31 March 2012. Unfortunately these undertakings have not been met, neither has an alternative proposal by the 17th February been received by the Forum for consideration nor are our client's communications answered.
13. A letter was addressed to you on 2 May requesting a feedback on the Departments' progress regarding the Independent Meat Inspection service which to date remains unanswered



14. At the meeting before the Portfolio Committee, Mr Johnson indicated that he would like a report back with the Portfolio Committee. A copy of this correspondence is being copied to Mr Johnson, who will circulate it to members of the Portfolio Committee.
15. Should the Forum not receive a response to the issues as raised in the meeting with the Department on 23 November 2011 and the subsequent correspondence, within 10 days of receipt hereof, the Forum will have no alternative but to again request an urgent audience with the Portfolio Committee to explain its concerns and complaints on the lack of progress and communication to date. Having regard for the substantial delays and the lack of progress thus far, we trust that the Department will treat this matter with extreme urgency.
16. We await to hear from you per return.

Yours faithfully

WERTHEIM BECKER INC



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NOTES TAKEN DURING THE WORKSHOP BETWEEN DAFF AND RMIF HELD ON 23 NOVEMBER AT THE MIDRAND CONFERENCE CENTRE

The Director General Mr Zita opened the workshop expressing his appreciation for the opportunity to hold discussions with the Industry. He stated that he had allocated Dr Motseki Hlatshwayo as a dedicated person to handle all Red Meat Industry Forum issues.

The Director General has an objective to facilitate improving emergent sector better access to the agricultural sector services. Dr Maja welcomed all present and expressed the wish that the discussions would be fruitful.

1. The Chairman of the RMIF did a presentation which included:
 - a. Introduction to all the member organisations of the RMIF
 - b. The purpose of the workshop
 - Address the concerns expressed by the RMIF
 - Rectify the perception that the RMIF is seen as an adversary
 - Find a workable communication structure
 - Engender an environment of cooperation
 - To be able to formulate a progress report to the Portfolio Committee
 - c. Major concerns expressed were:
 1. Non or limited compliance with current legislation
 - Meat Safety Act
 - Animal Disease Act
 - Animal Improvement Act
 - Animal Identification Act

2. Failure to successfully engage with industry on reports, given undertakings and communications
3. Failure to respond to correspondence
4. Communication structures are no longer considered credible

2. Meat Safety Act 2000

The Industry proposed Independent Meat Inspection (IMI) service presentation was made by Dr Gerhard Neethling.

He referred to a meeting that was held on the 17th November 2011 between the Department and industry to discuss the implementation of Independent Meat Inspection and received feedback on the proposed assignee structure.

During the background provided by the Department it was indicated that:

- a) although consensus apparently was reached by the provinces, disagreement still exists with some provinces with regard to the appointment of one assignee;
- b) The technical committee established by ITCA and chaired by Dr Molefe, have to offer alternatives for the proposal of appointing one assignee
- c) Alternatives investigated included:
 - i. a different model for export abattoirs;
 - ii. provincial services for low throughput and rural abattoirs and an assignee for the higher throughput abattoirs;
- d) **Despite the alternatives proposed a business plan or costing was not yet submitted to the Department for consideration.**

Industry indicated as background:

- a) The urgency of a decision amidst pressure from consumers to implement this outstanding meat safety assurance measure since 2000;
- b) The industry do not wish to be part of the service delivery if the Department can successfully implement measures to meet the requirement of the Act;
- c) Due to the financial strain on the industry, a solution should be implemented to ensure a cost effective solution and if the service cannot be provided by the Department not to appoint assignees with profit motives at the cost of the industry;
- d) Following the decision by ITCA to support an Assignee model, industry was approached to provide a model which will:
 - i. Meet the requirements of an assignee;
 - ii. Provide a structure which will represent the interest of the affected parties;

- iii. Possibly establish a structure to avoid duplication of costs between various sectors;
- iv. Allow for cost recovery to minimise subsidisation;
- v. Provide for the appointment of service providers to render services in specific sectors;

The Department requested:

- a) the industry to provide feedback to provinces at meetings to be arranged by the committee on outstanding matters with regard to the DAFF business plan for one assignee (Timeframe: Next two months);
- b) the provincial authorities to recommend proposed changes to the assignee model in order to meet specific requirements;

During the presentation Dr Neethling provided background on the industry model as mutually agreed between industry and DAFF. (This model was also presented to the Red Meat Industry Forum Council on 10 November 2011)

Despite the alternatives proposed no business plan or costing has been submitted to the Department for consideration. It was reiterated by the industry the urgency of a decision due to the fact that Meat Safety Assurance was outstanding since 2000 and a pressure from the consumers is mounting.

During the presentation background was provided on the development of the National Abattoir Rating Scheme (NARS) in order to provide national standards of abattoir evaluation.

The Department appointed a NARS workgroup:

- To give feedback on the progress of the NARS
- To facilitate the implementation of a Provincial Rating Committee in each province
- To assist with the standardization of the Hygiene Assessment System (HAS)
- To assess the progress of the implementation of the NARS in the province
- To conduct an audit on the functionality of the PRC if already implemented
- To assist with the implementation of the scheme through practical training sessions
- To receive comments or recommendations from the respective provinces on NARS and the HAS.

The development of the scheme was finalised by the workgroup and is awaiting final decision by the National Minister of Agriculture

Decision:

The Department agreed to:

- a) The process recommended by the technical committee whereby consultative meetings will be held with the respective provinces during the next three weeks in order:
 - i. for the industry to provide feedback to provinces at meetings to be arranged by the committee on outstanding matters with regard to the DAFF business plan for one assignee (Timeframe: Next two months);
 - ii. for the provincial authorities to recommend proposed changes to the assignee model in order to meet specific requirements;
 - iii. to provide an opinion for the implementation of independent meat inspection services to the Minister by the latest 31 March 2011.
- b) Institute feedback meetings between National, Provinces and Industry
- c) Fully communicate any alternative to this model to industry. Proposals to be consolidated by 17 February 2012;
- d) To forward an opinion and proposal with full details and recommendations to the Minister by 31 March 2012;
- e) Follow up on progress of the abattoir rating submission to the Minister

It was emphasized that the industry does not wish to be part of the service if the DAFF can implement measures to meet the requirements of the Act.

3. **Animal Disease Act 1998** – Presented by Dr Danie Odendaal

3.1 FMD Free Status Reinstatement

Dr Odendaal conveyed the industry concern that from the latest DAFF Veterinary Reports 29% of all posts were vacant and there is concern that service delivery will suffer.

The livestock industries are exceedingly concerned about the delay in the reinstatement of the FMD free status. The industry requests a detailed plan on the way ahead.

Decision:

- Dr Maja to provide a detailed plan on the way ahead that will stipulate the new protection zone, surveillance programme and the application to the OIE for rezoning

- The Director General and DAFF staff to arrange a workshop with MEC's and provincial staff of Kwazulu-Natal, Limpopo and Mpumalanga to discuss the management of FMD in the three provinces before 25 December 2011
- DAFF to provide a feedback to industry on their response to the court order regarding the importation of the Zambian Sables
- DAFF and organised agriculture to enquire from farmers in KZN what would be a workable intervention be for them given the current restriction on movement

3.2 TB & CA (Zoonotic Diseases)

- TB
The concerns of the industry regarding the unavailability of tuberculin, certificates not being issued, infected animals being sold on informal markets were expressed. It was reported that TB has recently established itself in rural cattle on the SA/Swaziland Border.
- CA
A disturbing map showing positive CA outbreaks between 1993-2003 was discussed. Dr Maja commented that Dr Willie Ungerer has annual updated maps available. The industry requested testing on a regular basis be regulated on cattle farms.

Decision

- DAFF to provide bio security plans for farmers on how to prevent an outbreak and also how to deal with one on the farm. The industry offered to finance the publishing of this information in weekly farmer magazines.
- The occurrence of these diseases to be verified and updated
- An industry representative veterinarian was invited to attend a meeting with DAFF to discuss policies on the two diseases (Mr Ford to supply the name of the Vet to Dr Maja's Office)
- A transparent evaluation according to OIE standards on the performance of Veterinary Services be done to assure the industry that Veterinary Services is equipped to control any disease outbreak.

4. Imports

Concern was expressed as to illegal red meat and livestock imports i.e:

- Changing of permit requirements for Sables

- Master permit issued for 12 months vs. batch permits
- Illegal meat imports
 - Pork from Brazil and Zimbabwe
 - Pork and chicken through Namibia
 - Beef and head meat case
 - Beef from Brazil after FMD outbreak
- To institute a system to control delinquent importers

Decision

- **This issue should be presented to the security cluster of government**
- **Link permits to DAFF's Import Substitution Programme**
- **Establish a working group to look into illegal permits, group to include DAFF, SARS, Customs and Department of Health**
- **Establish whether the issuing of Master Permits to neighbouring countries is not contravening fair WTO trading regulations**

5. Quarantine Stations

Quarantine stations are extremely high risk facilities and the formal gatekeeper to domestic industries. The industry requested that:

- Such facilities should not be on the premises of any party with direct interest in the livestock to be quarantined
- Non independent facilities could impact on the internationally recognised health status of the country
- Quarantine facilities attached to border control facilities be maintained in a operative condition.

6. Border Fences: Mr Henk Heslinga

Three independent investigations have been undertaken on behalf of the RMIF and its members. Mr Heslinga gave a presentation showing how the border fences in some provinces are intact and well maintained and in other badly maintained and dilapidated.

7. Compensation

The RMIF understands that clause in the Animal Disease Act could lead to misuse it is stated that “it is important for the Director to engender maximum support from the affected parties for the control measures to determine a mutually agreeable compensation value”.

However the amendment as it stands was not discussed with the RMIF who represent the majority of possible affected parties.

Decision

- **DAFF takes note of this standpoint and will be discussed further with the RMIF**

8. Animal Improvement Act

- The Act states that only animals imported with the aim to record or register such animals in terms of any breed standard require authorization to import from the Registrar of this Act
- **All** non descript livestock imported are presently issued an Animal Improvement Act permit as well as the compulsory Animal Disease Act permit
- this implies that **all imported livestock** could in fact be used for livestock breeding even when not in fact that quality

Lesotho Grazing Permits

- These permits are issued to Lesotho citizens historically as a concession when they have experienced drought conditions
 - Grazing permits have been issued under this Act and are according to our investigations:
 - Open ended with no expiry date
 - Not being issued and controlled according to previous specifications
 - Not correctly identified with brand/ country of origin but using SA brand
 - Not conveyed into SA as agreed
 - Becoming part of the domestic industry trading structure
 - Threatening our grazing reserves (estimated 200 000 cattle from Lesotho in SA)
 - Not returning to Lesotho

- Contributing to the growing stock theft problem in both SA and Lesotho

The RMIF requests that the practice of issuing these permits under this Act be terminated with immediate effect.

Decision

- **At a meeting with the Registrar on the 21st November 2011, he undertook to address these concerns and withdraw the issuing of Animal Improvement Permits which is contrary to the Act**
- **The DG undertook to address these valid concerns and proposed that a team from industry, DAFF and FS agriculture should work on a strategy on how to handle this issue which is presently in contravention of the Act which stipulate that Animal Improvement permits should be issued solely for “breeding and registration” reasons.**

9. Animal Identification Act

- The Animal Identification Act should be enforced more strictly as it is presently deemed by some to be a voluntary system
- RMIF requests that
 - Abattoirs and auctioneers be held liable for receiving and slaughtering/ selling of unidentified livestock
 - The ± 370 000 brand marks be reapplied for to remove dormant brand marks
 - A system of reapplication every five years for brand registration at a fee of which a percentage could be used to fund stock theft initiatives
 - The issuing of grazing permits to the citizens of Lesotho as done presently be terminated with immediate effect

Decision

- **DAFF to investigate**

10. Other Matters

10.1 South African Import Policy into Africa

- The RMIF reiterated that it supports the need to facilitate trade among African countries

- The RMIF shares the objective with the Department to protect the SA National Herds against the introduction of cross boundary animal diseases
- The SA trading policy is in line with the OIE Terrestrial Code with respect to trade in live cloven-hoofed animals. The DAFF proposed policy must be determined pursuant to a Risk Analysis done on a per species and per country basis.
- The RMIF opposed the importation of Zambian Sable Antelope in the High Court on these grounds
- The Court Order to the knowledge of the RMIF has yet to be adhered to and no internationally compliant plan has been put forward by the Minister which will stifle trade support

Decision

- **Dr Maja will arrange a meeting with the industry to discuss the High Court Order**

10.2 Proposed Fertilizer and Feeds Bill

- The self mixing industries that are concerned are
 - The Milk Producers Organization
 - The National Emergent Red Meat Producers Organization
 - The Red Meat Producers Organization
 - The SA Feedlot Association
 - The SA Pork Producers Organization
- have opposed the bill on the following grounds
 - Unfairly discriminatory
 - Will lead to uncompetitive practices to the advantage of the large Commercial Companies
 - Totally impossible to police
- Notwithstanding industry recommendations to address and simplify the Bill. The Department seems reluctant to amend the proposed Bill which is now on its way to Parliament

This proposed Act was discussed extensively with the following outcomes

- **Further discussions with the self mixing industries to take place before the submission to Parliament**

10.3 Residue Control Program

- Until 2007 SA was included on the list of countries with approved residue monitoring programs
- The absence of testing and poor controls on veterinary medicines means the EU can have no confidence in the residue status of food and the approval was withdrawn
- The question is why the SA consumer should consume meat products that are not acceptable to EU consumers
- RMIF Requests
 - That a Compulsory Residue Control Program be instituted across all species

Decision

- **That a Residue Control Programme be investigated together with the IMI service funded through the same structure**

10.4 Namibian Small Stock Marketing Scheme

- The scheme was unilaterally introduced by Namibia .
- The objective of the scheme was to encourage the utilization of Namibian Slaughter facilities
- The scheme has created instability in the domestic market and resulted in some role-players exiting the market
- Various independent studies have shown that the scheme has resulted in producers in Namibia being worse off with local prices plummeting
- **The scheme is in contravention of WTO, the SADC protocol on trade and the SACU Agreements**
- New proposals are on the cards to limit the exports further and could also affect live cattle exports to South Africa
- Live cattle imports from Namibia constitute $\pm 10\%$ of the RSA annual slaughterings

- Numerous requests have been made to DAFF to intervene to no avail.

Decision

- **The DG takes note and will investigate through his counterparts in DTi and Namibia**

10.5 Dispute Resolution

- Both the Meat Safety Act and the Animal Disease Act make provision for an aggrieved person to appeal against a decision to the Minister or MEC
- The RMIF has experienced that the office of the Minister is incapable of properly dealing with objections
- The RMIF requests an avenue for the aggrieved to have future objections addressed?

Decision

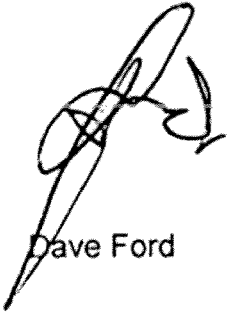
- **The DG has allocated a dedicated DAFF representative to the Red Meat Industry to handle RMIF contentious issues**

In Conclusion

- The Chairman of the RMIF requested the Department to :
 - Comply with its own legislation
 - To address the issues requested today
 - In future to respond to RMIF concerns
 - and to consider the RMIF as a partner in achieving its objective of ensuring healthy affordable and consistently available meat products to the SA consumer

The Chairman of the RMIF closed by thanking the DG and his senior officials for arranging the workshop and for the spirit in which the proceedings were conducted and also thanked the representatives from the RMIF for their contributions.

The DG and Dr Maja thanked everyone for attending and participating in fruitful discussions. The DG then closed the workshop.



Dave Ford

RMIF Chairman