

PO BOX 1809
RIVONIA
2128
SOUTH AFRICA.

TEL +27 11 8032058
FAX +27 11 8075691
E MAIL: ceo@amiesa.co.za
Mobile: 082 5636002
Web www.amiesa.co.za

AMIE

ASSOCIATION OF MEAT IMPORTERS AND EXPORTERS



NEWSLETTER- MARCH 2015

3rd MARCH 2015

Anti -Dumping- poultry

As members are aware, FINAL anti-dumping duties were gazetted on 26th February 2015 in respect of bone in chicken cuts from The Netherlands, Germany and the United Kingdom.

1. The markets concerned are currently closed due to Avian Influenza, so the effect of these duties will only be seen when these markets re-open.
2. The investigation was flawed from the beginning with numerous breaches of Ant-Dumping Regulations, use of incorrect as well as distorted figures, and incorrect and unreasonable assumptions.
3. The final dumping duties were very much as expected and more or less in line with the provisional duties implemented in July 2014, as well as ITAC's essential facts letters.

Executive Committee: A Schneiderman (Chairman), S Talpert (D Ch.), A van Rensburg, R Hanger,
J Knight, M Luff, M Burger,

4. Some of the dumping duties for specific companies are low, while residual duties for the countries concerned are high, and could be challenged by these countries. There is also a high duty for one of the German companies. Germany's residual duties are extremely high.

5. We are studying the ITAC final report and will then consider our options.

6. Any protectionist action to support an industry that does not need special treatment will always be detrimental to the interests of the consumer in the form of price increases, the limitation of choice, and a threat to food security,

We will naturally keep members up to date.

Avian Influenza

Members would be well aware of the recent banning of imported poultry from a range of countries due to outbreaks of HPAI.

Some of these countries have, and others are still busy with, applying for regionalization (zoning) arrangements with the SA veterinary authorities. We are finding the authorities slow in evaluating and processing information, which is frustrating all.

I will comment more about DAFF later in this newsletter.

The Netherlands expects to be declared AI free on 29th April, while the UK expects this to occur in mid May.

DAFF gave us a verbal assurance that they would honour OIE determinations and we are now requesting a clear undertaking from them in writing.

AGOA and USA Poultry

Members will likely be aware of the current situation regarding the potential renewal of the trade benefits SA receives from the USA under the African Growth and Opportunity Act (AGOA).

The current agreement expires in September and negotiations are taking place for its renewal for a further 15 years, something the SA government

desperately wants because of the many economic benefits that SA enjoys under this Act.

Certain influential American senators with poultry exports in mind have threatened to oppose the renewal of the act's application to South Africa unless SA removes the anti-dumping duties imposed on USA chicken in 2000.

AMIE has not been consulted by the SA department of trade and industry. However our American friends have kept us in the picture.

We are not politicians, but we ARE patriotic South Africans and we are very eager to see the ACT RENEWED and our country continue to receive ongoing benefits.

We do believe that all parties to this negotiation can come out as winners- there does not have to be a loser.

It is a well-known fact that the calculations that ITAC relied upon when it reached its decision to impose these dumping duties have since been rejected by the WTO, which renders the dumping decision as flawed and economically unfair.

As importers we would like to see the US bone-in chicken market re-opened as soon as possible and bring greater choice, product availability and price stability to local consumers. We do not support protectionist economic policies which are always detrimental to the health of the wider economy.

Free market principals should apply, especially in an industry that is not import dominated.

So the ideal solution for SA and its people is a renewal of AGOA with its many economic benefits, and a removal of the burdensome and restrictive anti-dumping measures, without any quotas, restrictions, caps or conditions.

We very much hope that common sense will prevail and that SA does not shoot itself in the foot.

Since the above was written we have had many more communications with the USA and have again reiterated our desire to see both AGOA renewed and the USA bone-in market reopened.

We have clearly stated that the conditions attached to any such re-opening must be fair, not trade restrictive, not open to abuse and manipulation and must be such that USA chicken is competitive.

PRRS

We have updated members continuously on the subject of PRRS.

We once again refer you to the DAFF website where you can find the updated information per country of origin.

<http://www.daff.gov.za/> → Agricultural Production, Health & Food Safety Branch → Animal Health → Import/Export → Import → Restrictions on the import of pork due to the risk of PRRS

There are still numerous issues surrounded the implementation and flow of the relevant controls, and, as with other issues, we are continuously bringing these to the attention of DAFF, with very slow responses from them. We have in the last few days requested an urgent meeting with DAFF to discuss our concerns.

Members must please ensure that they comply with these regulations. We have had reports of leakages whereby product that requires further processing is being imported under the guise of unrestricted product. This type of action, besides being dishonest, can have disastrous effects for all.

Membership

Membership currently stands at 60, 32 being ordinary members, 27 associate members and one honorary life member.

IMPORT STATS-DEC 2014

Kindly note that this is the 15th month that SARS has included imports from BLNS countries (Botswana,Lesotho,Namibia,Swaziland).Therefore comparative totals BETWEEN THE 2014 AND 2013 YEARS will be affected by these extra imports.This situation will rectify with figures becoming comparable after 24 months of these inclusions.

Total imports were 35196 mt, compared to last year's figure of 38573 mt, and volumes were 20 % lower than last month (November).

Over a 12 month period until December 2014 the figures are 3.4% ABOVE last year.

Chicken imports excluding MDM and gizzards were, at 16160 mt, 13% BELOW average, and ON A PAR with December 2013.Cumulatively, over 12 months, the increase is 4.8%.

MDM was, at 10923 mt, 1300 tons BELOW average.

Bone in chicken imports MODERATED to 11111 mt, JUST ABOVE LAST YEAR.

Pork ribs SURGED TO 2068 mt,the highest figure this year.

In Summary

Comparisons of 12 months cumulative figures with last year:

Pork Ribs---down 16 % (off an already low base).

Mutton offal—down 7 %

Whole chickens—up 13 % (incl. carcasses)

Boneless chicken—down 31 % .

Chicken offal—down 4 %

Bone-in chicken—up 9 %

Chicken MDM –up 3 %

Sausage casings for the month:

China	443 mt
Germany	23 mt
USA	48 mt
Australia	32 mt
India	10 mt
NZ	8 mt
Paraguay	43 mt

Total 607 mt

January 2015 statistics have reached us early and still need to be analysed, but we can supply you some detail:

Pork Ribs 1323mt

Chicken:

MDM	13583mt
Carcasses	1393
Whole Birds	375
Boneless	1174
Offal	2383
Bone in	9643

Bacteriological Testing

This paragraph is a repeat from the last THREE newsletters:

We received a draft SOP document from DAFF for our input. We circulated this document to all members for comment and input.

We followed this up with a very encouraging meeting with DAFF.

We have since submitted detailed proposals to DAFF arising out of our consideration of the draft document and the meeting referred to and subsequent correspondence.

We now eagerly await DAFF's response.

Market Access

French Beef-DAFF is currently deciding whether an inspection visit is necessary.

Polish poultry-discussions have advanced and should reach a conclusion soon.

Estonia poultry-information supplied is currently being evaluated.

Other poultry applications being looked at: Ukraine, Serbia, Austria, Turkey-all still only at initial stage.

USA mdm-response to queries have now been received from USA and being evaluated.

Brazil pork-A veterinary health certificate for further processing has been agreed, and DAFF is still waiting for the unrestricted list from Brazil. Please see notes above regarding PRRS.

We also had a recent meeting (one of many) with the Canadian trade office to help them fast track a comprehensive list.

This is an ongoing process that, unfortunately, is both tedious and frustrating, and if truth be told, we are finding DAFF's efforts in the important area of market access to be very concerning. We are treated with great respect and we receive timeous responses to our communications, but progress is extremely slow.

We appreciate that proper risk assessments and information gathering must be perfomed before opening new markets and this can take time, which can be exacerbated by language and interpretation difficulties.

However, we would expect that new markets can be opened within months and not years.

SA has international obligations in the area of commercial trade, as well as our obligations to supply product to consumers enabling both reasonable choice and competitive pricing.

The bigger the well of supply, the more benefits accrue to consumers.

Is DAFF measuring up as an internationally comparable veterinary controlling authority?

AMIE's Financials

These are looking healthy with effective cash flow controls and bookkeeping functions in place. Audited accounts were tabled and explained at the AGM in November, and a red meat levy audit will be performed next month (April)

David