

# AMIE SA NEWSLETTER

AMIE  
ASSOCIATION OF MEAT IMPORTERS AND EXPORTERS



## WELCOME TO OUR MONTHLY NEWSLETTER

## HIGHLIGHTS

### Last word from David Wolpert

This is my final AMIE newsletter before retirement. I will say my goodbyes to members at our AGM and then directly, to each member, before I leave.

I have had great pleasure updating members on important industry issues over the last 10 years, and I think that you will be very pleased with the new look that Paul is introducing.

I would again like to update you on the numerous live issues that we as an industry are dealing with. Many have been dragging on for quite some time now, and hopefully we can reach conclusions as soon as possible, especially those that cause great inconvenience and cost to our members.

**02** Welcome from Paul Matthew

**04** AI Re-openings and Inspections

**07** KZN Ports



**“A truly great mentor. Hard to find and impossible to forget.”**

# WELCOME FROM OUR NEW CEO

As they say in the classics “Time flies when you’re having fun” and October announces my first official newsletter...

First 88 days are up! I thought when joining AMIE that the first month would be used to do some necessary thoughtful observation, meet as many members and government players and consider when to listen and when to act.

Well it’s true that we live in fast-paced times, when business expect quick, if not immediate, results so with all that was happening, I thought priority would be to do a SWOT on AMIE with members and stakeholders.

I’m a strong believer it’s a mistake to jump into a new Executive role without first taking the time to investigate the culture and values of the Import & Export industry and delivery of services that AMIE offers to its members.

With some help and my eagerness to get started into this new role, I was able to have a new proposed five -year strategy presented to the Executive committee mid-September.



**PAUL MATTHEW**

**CEO AMIE SOUTH AFRICA**

This led to an open workshop discussion between members and non-members early in October. There was terrific input for the strategy and we may indeed see the early stages of the plan been rolled out at our upcoming AGM – 22nd November 2018, our newly adapted five-year strategy is placing AMIE the right direction.

However, I don’t want to put the game plan into action before having a good understanding of the playing field, full rollout of the strategy will commence January 2019.

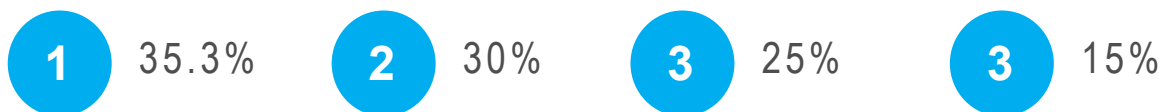
On another note, we are proud to announce that we have moved into new offices (See on page 9)! Please join me for a cup of coffee when you are in the area.



AMIE is looking forward to a new horizon -  
keep an eye out for the relaunch of our  
AMIE brand at the AGM on 22 November 2018

## EU SAFEGUARD

As members are aware, the EU Safeguard was gazetted on 28th September 2018 with four different schedules relating to the four year's reducing tariff. The first year runs for a little short of 6 months due to late implementation. The annual rates are:



The EU believes that SA has not adhered to the terms and conditions of the Economic Partnership Agreement that replaced the old TDCA. AMIE believes that there exists no legal or moral (in light of recently published highly profitable trading results by local poultry companies) right for the implementation of such measures. We are awaiting feedback from our EU partners on discussions with SACU while we are still reviewing our legal options.

We will keep members updated with all developments.

We have heard of implementation delays by SARS but our consultants advise that this is not totally out of the ordinary in that the particular safeguard is a first in SA, and that the duty will be charged retrospectively.



## AI RE-OPENINGS AND INSPECTIONS

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We have heard nothing further from them since, but are hopeful that the balance of the reopenings will occur via desk verifications, as they do not have the funds to do visits.

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Inspection visits to Spain, Poland and Hungary took place more than six months ago and DAFF has recently re-opened Spain and Poland. Hungary was also inspected but no reopening has yet taken place due to delays caused by “language translation.”

This is being unnecessarily drawn out. The other countries that were supposed to be inspected during a second (and possibly third) visit have been kept in the dark. Germany, Belgium, the Netherlands, France and the United Kingdom have been kept waiting despite repeated calls from us to finalise.

Such (political) delays are totally unacceptable, and it is time that the relevant EU authorities need to make their voices heard. The EU urgently needs to put pressure on South Africa. Especially now that a safeguard has been imposed, EU markets must be opened and not politically interfered with.



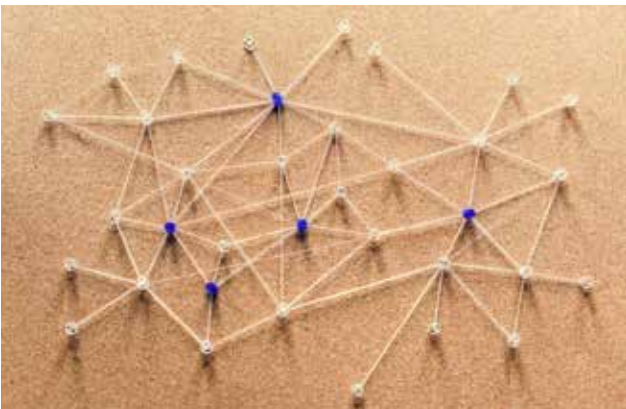
## MARKET ACCESS

As mentioned in our last newsletters, the opening of new markets is also at a standstill. DAFF has neither the appetite for, nor the staff resources, to do anything about new market openings.

An example is Ukraine poultry. The Ukrainians have been working long and hard for a number of years to get this market open, yet their response to DAFF's request for information has been gathering dust in Pretoria without the contents being interrogated.

Since our last newsletter we have again enquired from DAFF as to the status of the Ukraine application and were told that they are now attending to it. We will have to wait and see.

But thus far DAFF'S conduct has again been questionable. We are dealing with unfair trade barriers.



## IMPORTANT DETAILS

As members know, we distribute monthly import stats (as well as export info) to members, as well as an import analysis. Total imports have increased by 5.3% over the past year to August, with chicken imports having increased by a massive 21% (excluding mdm and gizzards).

Bone-in chicken, at 286073 mt cumulatively, (211072 mt leg quarters, of which Brazil produced 109916 mt and USA 58450 mt) is now 28% above last year. The Brazilian share of the cumulative bone-in figure is 47%, and the US share is 28%. Note that August average leg quarter prices were: ex Brazil 14.20, ex USA 9.72, ex Denmark 19.97, ex Argentina 13.15, and ex Ireland 19.70.

MDM imports were running ahead of last year until January but then dropped and as at 31 August are 18% below last year.

We have also noticed an increase in pork rib imports this year, with July being a particularly busy month.



## EXPORTS TO AUGUST 2018

Exports are running well behind last year up to the end of AUGUST 2018. Total exports have dropped from 93902 mt for the year ended AUGUST 2017 to 75821 mt for the current year. That represents a 20% drop.

Total chicken exports, excluding mdm and gizzards, dropped from 30882 mt for the year ended AUGUST 2017 to 26992 mt for the current year. That represents a decline of 13%.



## KZN PORTS

This issue has now dragged on for well over two years. Upon DAFF's request, we withdrew two applications from the court rolle in mid-December and March pending their responding affidavit to our proposed action, of which members have been regularly updated.

We finally received their affidavit and have responded with our replying affidavit almost six months ago.

At the same time, we had for some time been trying desperately to set up a meeting with DAFF, as we would very much like to resolve all outstanding issues around the table and not in a courtroom. These meetings are always arranged with DAFF, and then postponed at the last minute (by DAFF). The meeting finally took place two weeks ago.

The main issue that we are trying to reach an agreement on is a mutually acceptable risk-based sampling policy, because, as members are aware, DAFF, with its current resource shortage, is simply not coping with Durban volumes, to the detriment of all parties.

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DAFF is currently analysing information the results of which can be used as a basis for a risk based sampling protocol. AMIE has already commenced discussing and negotiating this with them, although they only expect their statistical analysis to be completed by end October.

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If we can reach an agreement with them, then implementation should not take long. Their approach at the last meeting was a very open one and there was no adversarial atmosphere.

However they have insisted that food safety is their main function in terms of the Meat Safety Act and it is their sole prerogative to decide on the extent and depth of any risk based sampling regime.

We will do our best to obtain a fair and practical outcome without compromising on SA's food safety requirements.

(Over the last few weeks we have been informed by some members of major delays and increased rejections in Cape Town—we will monitor this carefully and, if necessary, approach DAFF on behalf of industry).

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WATCH THIS SPACE FOR  
AMIE 2019





## SOP 2017

We are still awaiting a meeting with DAFF for a discussion on the contents of its 2017 proposal that was distributed many months ago. If agreement is reached with DAFF on a risk based sampling protocol then we can expect reasonably swift progress, bearing in mind that we need to be totally happy that micro-biological analyses and standards are reasonably applied.

## FINANCES & CASH FLOWS

The situation as reported in our last few newsletters has not materially changed.

With generous assistance from the executive and members, our short and medium-term requirements are well under control. In the meanwhile the executive committee will spend some time drawing up a long-term funding plan. This issue is very much on Paul's radar.

This is very important as the ongoing defence of our industry from continuous attacks aimed at crippling us needs to be of the highest professional standard, and the high quality of our advisors and legal team, are consequently expensive.

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Association of Meat  
Importers and Exporters

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