

# Poultry sector masterplan launch promises increased production, job creation

The Association of Meat Importers and Exporters (AMIE) has welcomed the introduction of a new poultry sector masterplan which was devised by the DTI, brokered by Trade and Industry Minister, Ebrahim Patel and Agriculture, Land Reform and Rural Development Minister Thoko Didiza.



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The masterplan process included AMIE, the South African Poultry Association (SAPA), several government departments, organised labour and other parties with an interest in the local chicken industry.

"The masterplan is an industry framework that will ensure that chicken, which has become a staple protein in millions of local homes, will retain its place as South Africa's favourite food. Importantly, the sector will remain a significant customer of the local feed and food processing industries. More opportunities will be created so that small-scale farmers can establish a foothold and contribute meaningfully to the sector," says Paul Matthew, CEO of AMIE.

"At the same time, large players in the local broiler industry have had issues of major concern addressed. New opportunities for their products have been identified, and in time, additional markets will be opened to these producers."

Matthew said that the masterplan takes account of several structural and other problems within the industry. **Some of the most critical challenges include:**

- Feed costs, primarily maize and soya, which are significant components of broiler production costs.
- Lost export opportunities: Although South Africa has tariff-free access to Europe, the country does not conform to the sanitary, and phyto-sanitary requirements of the European market and Europe is, therefore, closed to our chicken products. Exports to other countries are also low, making up only 2% of total production.
- Transformation: Although black ownership in the sector and across the value chain has increased the plan maintains that these activities can be further improved by taking advantage of readily available opportunities.

**Priorities have been identified through five pillars that will be instrumental in refocusing the poultry sector and building its future:**

1. Establishing partnerships to increase production and availability of feed and simultaneously ensuring that workers are provided with training and development opportunities.
2. Driving domestic demand and the affordability of local broiler products.
3. By the end of March 2020, establishing the safety and veterinary requirements within markets offering producers opportunities for exporting their chicken products, meeting their needs, and commencing exports. AMIE will be central to assisting with these and helping ensure that EU requirements are implemented.
4. Introducing measures to enhance the regulatory environment and ensure compliance. This will include making products traceable and announcing measures to ensure that the industry as a whole complies with trade requirements.
5. Protecting the local chicken industry by considering specific, rather than ad valorem tariffs; simplifying trade systems; undertaking anti-dumping measures where appropriate, and considering the introduction of import licences to support compliance.

"The objectives of the plan hinged on increasing local chicken consumption and so growing the demand for chicken, while also addressing the exporting of locally-produced cooked and raw chicken products. Target markets will include SADC countries and those within the African Continental Free Trade Area (ACFTA) area and the Middle East. Gearing up locally will also open European markets."

"AMIE, because of its expertise in the import and exporting arena, is well-positioned to assist in this regard," says Matthew adding that the effectiveness of any plan relies on its ability to be implemented and monitored.

"The masterplan provides a new, sound foundation for the expansion and benefit of all within the poultry industry. Its effectiveness will be ensured by the provision for the establishment of a Poultry Master Plan Council which will be led by the Ministers of Trade, Industry and Competition and the Minister of Agriculture, Land Reform and Rural Development. This body, which will include delegates from all interested poultry organisations, will meet quarterly to oversee the implementation of the plan in the first year of its introduction. Thereafter, progress will be monitored bi-annually."

"Receiving most attention will be the implementation of agreed plans, introduction of required additional actions and bringing South Africa's facilities up to European specification."

"AMIE fully supports the introduction of the plan. We are committed to fully participating in a process that holds benefits for the entire poultry sector and will guarantee that chicken remains the staple, affordable meat of choice for South African consumers."

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