

**22 September 2020**

## **MEDIA STATEMENT**

### **POULTRY INDUSTRY PUSHES MASTER PLAN PROGRESS POST COVID**

Despite the serious impact of the COVID-19 pandemic on the local poultry industry, the SA Poultry Association (SAPA) has welcomed the renewed focus on the Poultry Industry Master Plan, and has praised Trade Industry and Competition Minister Ebrahim Patel and Agriculture Minister Thoko Didiza for the progress to date.

At President Cyril Ramaphosa's investment conference in November last year, the Master Plan, which aims to stabilise and grow the poultry sector, was signed by government, the poultry industry, importers, labour representatives and other stakeholders. "It has been gratifying to achieve significant progress despite the huge logistical and financial implications of COVID-19, and now that the initial threat has abated somewhat, attention is being refocused very strongly on the Master Plan," says Izaak Breitenbach, General Manager of SAPA's Broiler Organisation.

According to Breitenbach around R1 billion of the R1,7bn investment that the industry pledged to expand capacity by 2022 has already been activated, with 5% more chickens per week being produced for slaughter. By 2022 a total of 8.7% more chickens per week will be produced.

"On the transformation and empowerment front, SAPA and its members are in the process of establishing 50 new black contract-grower farmers, in addition to the 70 who are already active and productive," said Breitenbach. "We are also growing a programme of intensive support for independent black farmers to achieve the full sustainable potential of their businesses for integration into the value chain – at present there are 25 farmers in this programme." The association has joined forces with the African Farmers' Association of SA (AFASA), to develop more of these SMMEs.

SAPA has increased its black-owned enterprise membership by 433% since January 2020, from 18 to 96 members, with a higher target by the end of this year. This in addition to a growing network of 670 small farmers who benefit from the association's communication chain, which includes regular briefings on industry-relevant information, and a practical monthly farmer's webinar. SAPA is also in the process of establishing a new training facility at Bekker High School, an agricultural school in Magaliesburg in Gauteng.

In terms of enhancing the regulatory framework and compliance, another pillar of the Master Plan, Breitenbach welcomed the decision by the ministers to outlaw the practice of labelling bags of imported chicken with multiple possible countries of origin. "This is a significant victory for food safety; which is compromised when a single bag of imported chicken can claim to be from one of 11 possible countries, as was the practice," said Breitenbach. "If anything goes wrong, you have to be able to trace the origin of a meat product, as is the case with locally produced chicken and this ruling will help."

Food safety is also a concern when it comes to the practice of thawing imported chicken for reprocessing, repackaging and sometimes refreezing, according to Breitenbach. "The thawing of bulk frozen chicken meat is only safe when done under very strict safety protocols. Consequently, it

is not illegal to thaw meat, but the Agency for Food Safety and Quality (ASFQ) has recently reported major issues with compliance. There are many tons of imported chicken meat product that do not comply with official safety protocols and this is why thawing was included into the Master Plan as a practice that has to be stopped. We are still petitioning for chicken meat to be imported in its final packaging, which would resolve these problems.”

He confirmed that progress has also been made towards the designation of locally produced chicken for state procurement, as part of the Master Plan pillar to grow domestic demand.

Opening up export markets for South African poultry is a complex and lengthy process, but, says Breitenbach, some progress has been made on this pillar too, and negotiations are underway with the European Union, and countries in the Middle East, as well as SADC and SACU countries.

Arguably the most important of the five pillars of the Master Plan pertains to trade measures to support the local industry. “South African producers are entirely capable of producing to the full demand of the market,” said Breitenbach. “The constant scrutiny of trade practices that harm the domestic industry, the local economy and the South African job market is an ongoing priority. We have proof that dumping is happening and we will seek remedies, including tariffs, to end these unfair and market-distorting practices.

“Our industry recently invested a billion rand in the South African market with more to come, while imports have resulted in as much a R6.1 billion leaving our shores to the benefit of the poultry industries of the United States, Brazil and the EU. We have to buy local and invest in our own economy, and not export jobs and money overseas.” ENDS