



# INTERNATIONAL EGG AND POULTRY REVIEW



U.S. Department of Agriculture

Agricultural Marketing Service

Livestock, Poultry and Grain Market News

## South Africa Tariffs and Anti-Dumping Duties

In September 2013, the South African International Trade Administration Commission (ITAC) increased import duties on five poultry products. The South African Poultry Producers Association (SAPA) had submitted an application to ITAC in March 2013 requesting an increase in the rates of custom duty on frozen chicken meat. SAPA made three claims: the survival of the local chicken industry was at risk, jobs would be lost due to reduced demand for domestic product, and concerns about food security.

### South Africa's Import Tariffs, Meat and Edible Offal of the Poultry of Heading 01.05, Fresh, Chilled or Frozen

Heading/subheading	Rate of Duty in kg		EU	SADC
	Prior to 30/09/2013	In effect 30/09/2013		
0207.12.20 Carcasses*	27%	31%	free	free
0207.12.90 Whole birds	27%	82%	free	free
0207.14.10 Boneless cuts	5%	12%	free	free
0207.14.90 Offal	27%	30%	free	free
0207.14.90 Bone-in portions	220c/kg	37%	free	free

\*Carcasses (excluding necks and offals) with all cuts (e.g. thighs, wings, legs, and breasts) removed. SADC = South African Development Community (Botswana, Lesotho, Namibia, South Africa and Swaziland). Government Gazette No. 36876 No. R.715 dated 2013-09-30 and Government Gazette No. 36358 dated 12 April 2013

EU poultry enters the country duty free due to its Free Trade Agreement, and the new higher tariffs on other nations' poultry began to reshuffle imports away from Brazil and towards the European Union. After South Africa raised tariffs against all non-EU countries, the Netherlands overtook Brazil as the largest poultry exporter by value to South Africa; Brazil remained the top exporter by quantity but exports were trending lower monthly. UK and the Netherlands' monthly poultry exports to South Africa doubled in quantity since the new tariffs were imposed against other exporters. Germany's monthly poultry exports were up 50% in November 2013 compared to October 2013.

### EU exports of Frozen Cuts of Fowls to South Africa in tons (carcass weight)

		January-June		
		2014	2013	% Change
2071410	Boneless Cuts	10,628	11,470	-7%
2071420	Halves and Quarters	29,735	13,048	128%
2071430	Wings	13,195	6,526	102%
2071440	Backs and Necks	5,808	3,924	48%
2071450	Breasts	28	0	--
2071460	Legs	22,395	17,546	28%
2071470	Other Cuts	9,873	8,155	21%
Total		91,661	60,668	51%

Source: European Commission CIRCABC <https://circabc.europa.eu/>

On July 4, 2014 the SARS posted anti-dumping duties (ADD) on HS 0207.14.90 "frozen chicken, cut in pieces" from Germany (73.33%), the Netherlands (22.81%) and the United Kingdom (22.03%). There are exceptions; in Germany several companies have a provisional payment of 31.30% and in the Netherlands Frisia Foods B.V. was excluded from the payments. The implementation dates are from July 4, 2014 up to and including January 2, 2015.

In February 2012, ITAC had introduced provisional ADDs of 62.93% on whole chickens and 46.59%, on boneless cuts on imports from Brazil. However, in June 2012, Brazil filed a complaint with the WTO and in December 2012 the South African government decided not to impose definitive ADDs on whole chickens and boneless cuts from Brazil.

South Africa first imposed ADDs on imports of frozen bone-in pieces (0207.14.90) from the U.S. in 2000 and in 2012 extended and increased the anti-dumping duties for another five years. The anti-dumping duties

were increased to R9.40 per kilogram, without differentiating between suppliers as in the past. Originally the ADDs ranged from R2.24/kg R6.96/kg depending on the supplier.

Source: USTR 2014 National Trade Estimate Report on Foreign Trade Barriers; USDA/FAS GAIN Reports dated 2/10/2014, and 1/29/2013; <http://govza.gcis.gov.az/node/487881>, news wires.

## U.S. Poultry Exports to South Africa Remain Blocked

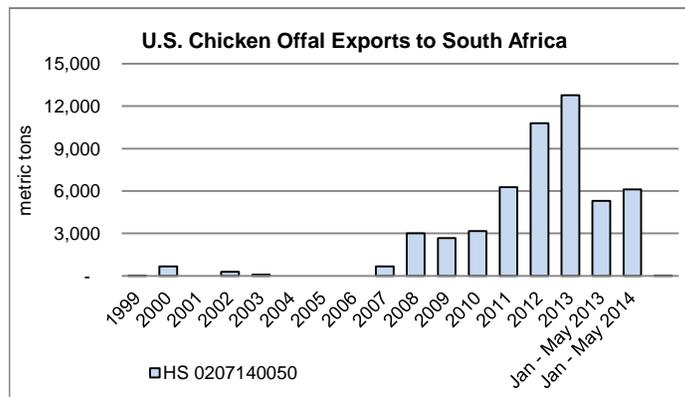
At present, South Africa is one of a few nations in the globe that restricts U.S. beef, pork, and poultry. Conservative estimates indicate that the United States' beef, poultry and pork industries (including pet food) are currently losing out on annual trade to South Africa worth about US\$175 million, which is just over half the value of existing U.S. agricultural exports to South Africa.

The market to South Africa is limited for these industries due to anti-dumping duties and technical trade barriers. Annually, South Africa imports beef, poultry and pork products worth about US\$630 million, largely from Europe, Brazil, and Canada. South African livestock product imports would not increase dollar for dollar with U.S. access, but exporters would have the opportunity to compete for supply with the EU, Brazil, and Canada. While USDA/Pretoria expects technical sanitary discussions to resolve some issues for beef and poultry, South Africa is resistant to taking action on pork.

Much progress was made in discussing USDA's counter-proposal for South Africa's importation of fresh poultry meat. The tone and lack of technical questions on the proposal indicated this is close to a positive resolution. USDA/Pretoria remains optimistic that the issue requires only a few more technical clarifications prior to being finalized.

South Africa's long-standing (since 2000) poultry anti-dumping duties (ADD) against U.S. bone-in chicken keep the U.S. as a supplier of only niche products, like MDM and livers. During the recent Annual Bilateral Forum with the South African Government, USDA/Pretoria approached the Department of Trade and Industry (DTI) about the ADDs; DTI was disinterested in taking any unilateral action to remove the ADDs and suggested the U.S. poultry industry put forth a legal challenge during the next sunset review in 2017. Although the U.S. is the 9th largest supplier of poultry to South Africa, the \$3 million in imports is less than one percent of the total import market. In 2013, South Africa imported over \$300 million in poultry, which were primarily bone-in cuts from Europe and Brazil.

Source: USDA/FAS GAIN Report dated April 9, 2014



Source: U.S. Census Bureau Trade Data

**INSPECTED EGG PRODUCTS-U.S. & CANADA IMPORT/EXPORT TRADE**

**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	95	0	4,378	952
Frozen	0	0	78	40
Dried	40	0	314	159
Total	135	0	4,770	1,151

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	58	13	4,648	5,123
Frozen	41	45	1,312	893
Dried	5	5	171	5
Total	104	63	6,131	6,021

**INSPECTED SHELL EGGS**

**U.S Exports to Canada, In 30-Dozen Cases (Preliminary)**

	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Jumbo	0	0	0	0
Extra Large	3,420	0	118,186	69,966
Large	11,737	780	247,772	138,865
Medium	1,320	0	16,092	18,975
Ungraded	27,750	0	638,661	174,610
Misc	420	0	25,820	0
Total	44,647	780	1,046,531	402,416

/1 Comparable Week, to-date figures may not total due to rounding.

/2 Includes revisions to previous week(s)

\*Note: Year to-date totals reflect comparable time periods.

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

**U.S./CANADIAN LIVE POULTRY SLAUGHTERED UNDER INSPECTION**

Week Ending Aug 16, 2014 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,475	1,804	3,279
Last Week	1,505	1,765	3,270
Same week yr ago	1,604	1,566	3,170
To-date/2014*	48,833	49,932	98,765
To-date/2013*	50,843	48,392	99,235

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	517	0	517
Last Week	368	0	368
Same week yr ago	319	0	319
To-date/2014*	12,531	0	12,531
To-date/2013*	11,775	0	11,775

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

	Total U.S. Fowl Slaughtered in the U.S. and Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,992	1,804	3,796
Last Week	1,873	1,765	3,638
Same week yr ago	1,923	1,566	3,489
To-date/2014*	61,364	49,932	111,296
To-date/2013*	62,618	48,392	111,010

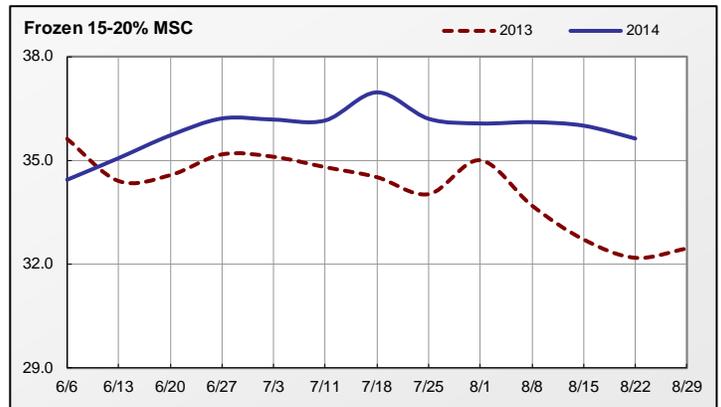
\*Note: Year to-date totals reflect comparable time periods.

**NATIONAL MECHANICALLY SEPARATED CHICKEN** (F.O.B. Shipper Dock or equivalent; negotiated prices in trucklot and less-than-trucklot volumes reported in thousand pound quantities, cents/pound; delivery within 2 weeks.)

MSC prices are steady to instances weak on all fat contents. Demand into domestic and export channels are light to moderate. Supplies are moderate to heavy as dealers continue to watch the marketplace closely and make any last minute adjustments ahead of the upcoming Labor Day holiday. Market activity is slow to moderate. Raw material supplies are moderate. Frames are steady with trading levels between 11-14.0 cents FOB, mostly 12-14 cents FOB.

**Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)**

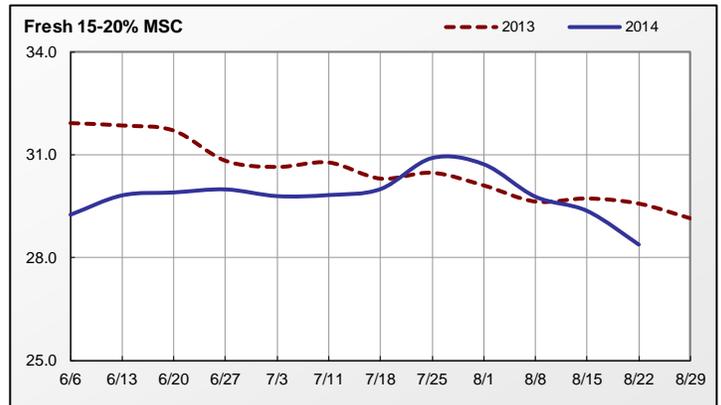
Fat Content	Frozen			Fresh		
	22-Aug-14	Last Week	Last Year	22-Aug-14	Last Week	Last Year
<b>15% or Less</b>						
Price Range	-	-	33.00	33.00	33.00	31.00-32.00
Wtd Avg Price	-	-	33.00	33.00	33.00	31.55
Volume Traded	-	-	40	61	41	224
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	31.00 - 38.00	32.00 - 38.00	29.00-37.00	25.00 - 34.00	25.00 - 32.00	27.00-34.00
Wtd Avg Price	35.64	36.01	33.70	28.38	29.37	29.64
Volume Traded	1,605	1,460	1,266	2,366	3,157	2,806
Volume Exported	1,565	1,300	1,186	82	938	408
<b>20% or More</b>						
Price Range	-	-	-	24.00	24.00	22.00
Wtd Avg Price	-	-	-	24.00	24.00	22.00
Volume Traded	-	-	-	82	82	82
Volume Exported	-	-	-	-	-	-



**Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)**

Fat Content	Frozen			Fresh		
	Jul 2014	Jun 2014	Jul 2013	Jul 2014	Jun 2014	Jul 2013
<b>15% or Less</b>						
Wtd Avg Price	32.00	32.00	34.00	32.00	30.16	32.65
Volume Traded	120	120	40	285	653	775
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Wtd Avg Price	36.37	35.41	34.61	30.22	29.73	30.56
Volume Traded	7,395	7,573	5,020	13,847	15,422	12,301
Volume Exported	6,975	7,453	4,740	2,448	3,672	1,142
<b>20% or More</b>						
Wtd Avg Price	-	-	-	24.75	25.00	22.00
Volume Traded	-	-	-	326	245	245
Volume Exported	-	-	-	-	-	-

Note: Volume exported refers to that portion of the total volume that is destined for export markets.



Source: USDA AMS Livestock, Poultry & Grain Market News ([www.ams.usda.gov/lpsmarketnews](http://www.ams.usda.gov/lpsmarketnews))

**NATIONAL YOUNG TURKEY PARTS**

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 22 AUGUST 2014.

The market on bulk parts was steady with tom necks and full cut wings instances firm. Demand and offerings light to moderate. White meat and white trims remains steady. Demand and offerings was light to moderate. High meat market was steady. Demand and offerings light to moderate. Mechanically separated turkey market is weak. Demand was light. Offerings are moderate to heavy. Market activity for parts is slow. For domestic: fresh wing meat 134-136 cents, fresh breast trim 205 cents, fresh scapula 207-209 cents, cents delivered. For export: fresh tom drums 92 cents, fresh mechanically separated turkey 39 cents delivered Border.

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
<b>FRIDAY, AUGUST 22, 2014</b>						
DRUMSTICKS, TOMS		T	114.00	324	114.00	324
WINGS FULL-CUT - TOMS		T	75.00	40	75.00	40
WINGS, V-TYPE, TOM		T	97.00	30	97.00	30
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	35.00	320	35.00	320
		W	178.00	80	178.00	80
<b>THURSDAY, AUGUST 21, 2014</b>						
DRUMSTICKS, TOMS		T	114.00	324		
WINGS FULL-CUT - TOMS		T	75.00	40		
WINGS, V-TYPE, TOM		T	97.00	30		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	35.00	320		
		W	178.00	80		
<b>WEDNESDAY, AUGUST 20, 2014</b>						
DRUMSTICKS, TOMS		T	114.00	324		
WINGS FULL-CUT - TOMS		T	75.00	40		
WINGS, V-TYPE, TOM		T	97.00	30		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	178.00	T	35.00	320		
			178.00	80		
<b>TUESDAY, AUGUST 19, 2014</b>						
DRUMSTICKS, TOMS	114.00		114.00	324		
WINGS FULL-CUT - TOMS	75.00		75.00	40		
WINGS, V-TYPE, TOM	97.00		97.00	30		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	35.00		35.00	320		
<b>MONDAY, AUGUST 18, 2014</b>						
DRUMSTICKS, TOMS		R	91.50	160		
WINGS FULL-CUT - TOMS		T	77.00	120		
WINGS, V-TYPE, TOM		R	68.00	324		
TAILS		M	50.00	120		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	40.00	20		

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.):

M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ 15-20% fat with skin added.