

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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**Date:** 4/10/2015

**GAIN Report Number:**

## South Africa - Republic of

**Post:** Pretoria

### **A thirteen percent increase in South Africa's chicken meat prices**

**Report Categories:**

Poultry and Products

Trade Policy Monitoring

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**Report Highlights:**

Chicken meat is the most important protein source in the diet of the majority of South Africans, including the poor. However, since 2013, chicken meat prices in South Africa increased by 13 percent and in the past year by more than eight percent, as increased import tariffs of chicken meat, coupled with anti-dumping duties, escalate local prices.

## **A thirteen percent increase in South Africa's local chicken meat price due to increased tariff duties**

### **Local broiler meat prices**

The South African per capita consumption of poultry meat (of which most is chicken meat) is estimated at 36 kg per annum. In comparison, each South African consumes only three kilograms of mutton, five kilograms of pork and 17kg of beef per annum. Chicken meat consumption increased by about 70 percent since the start of the millennium and has grown to be the most important protein source in the diet of the majority of South Africans, including the poor.

In Table 1, the trends in the retail prices of different meat sources in South Africa are shown. From the table it is clear that chicken meat is the cheapest source (in terms of R/kg) of meat in South Africa. However, since 2013 the price of chicken meat increased in percentage terms more than that of pork or beef, as rises in the import tariffs of chicken meat, coupled with anti-dumping duties, escalate local prices. Since 2013, chicken meat prices in South Africa increased by 13 percent and in the past year by more than eight percent, compare to an overall inflation rate of less than five percent.

Table 1 also indicates the average landed price for chicken meat in South Africa. The average landed prices for broiler meat in South Africa in January 2015, before tariff payments, decrease by eight percent on a year-on-year basis and by 13 percent since the beginning of 2013. Thus, without tariff increases, the South Africa consumer would have paid at least 13 percent less for broiler meat, compared to local price increases of 13 percent since 2013.

**Table 1: The trends in the retail prices of different meat sources in South Africa**

	<b>Jan-2013</b>	<b>Jan-2014</b>	<b>Jan-2015</b>	<b>Change 2014 - 2015</b>	<b>Change 2013 - 2015</b>
	<i>R/kg</i>	<i>R/kg</i>	<i>R/kg</i>	<i>Percentage</i>	<i>Percentage</i>
<b>Pork chops</b>	61.14	63.61	68.00	7%	11%
<b>Beef T-bone</b>	81.41	77.35	82.67	7%	2%
<b>Beef mince</b>	64.46	62.84	65.49	4%	2%
<b>Whole chicken</b>	34.87	36.20	39.50	9%	13%
<b>Chicken portions</b>	44.67	45.97	49.85	8%	12%
<b>Average landed price for chicken meat</b>	12.07	11.40	10.50	-8%	-13%

*Source: The National Agricultural Marketing Council (NAMC)*

### **Imports**

For the past 12 months, ending December 2014, South Africa imported 368,935 tons of broiler meat at a value of US\$338 million, four percent more in quantity than in 2013, but five percent less in value terms (see also Table 2). Imports of broiler meat represent more than 20 percent of local consumption as South Africa slaughtered about one billion broilers (equal to 1.5 million tons of meat) in 2014.

**Table 2: Value and quantity of broiler meat import by South Africa**

	<b>2012</b> (January – December)		<b>2013</b> (January – December)		<b>2014</b> (January – December)	
	<b>Quantity (tons)</b>	<b>Value (US\$ '000)</b>	<b>Quantity (tons)</b>	<b>Value (US\$ '000)</b>	<b>Quantity (tons)</b>	<b>Value (US\$ '000)</b>
Brazil	191,486	155,957	169,458	133,203	154,429	94,104
Netherlands	55,043	80,608	66,051	88,788	73,992	86,432
United Kingdom	25,469	35,807	38,069	52,649	42,297	53,422
Germany	22,678	30,659	22,849	31,458	21,594	26,210
Argentina	28,717	21,170	28,505	18,492	21,562	11,801
United States	7,663	10,569	3,159	3,060	2,907	2,010
Others	40,030	55,236	26,637	29,484	52,154	63,831
<b>Total</b>	<b>371,086</b>	<b>390,006</b>	<b>354,728</b>	<b>357,134</b>	<b>368,935</b>	<b>337,810</b>

Source: GTA

See also the following reports:

- <http://www.fas.usda.gov/data/south-africa-sa-poultry-association-mounts-press-offense-against-us>
- <http://www.fas.usda.gov/data/south-africa-notional-trade-gains-south-africa-and-united-states>
- <http://www.fas.usda.gov/data/south-africa-outbreak-avian-influenza-europe-and-anti-dumping-tariffs-will-increase-poultry>
- [http://fas.usda.gov/This report focuses on the supply and demand of broiler meat in South Africa](http://fas.usda.gov/This-report-focuses-on-the-supply-and-demand-of-broiler-meat-in-South-Africa)