

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary _ Public

Date: 8/21/2015

GAIN Report Number:

South Africa - Republic of

Post: Pretoria

South Africa remains closed to U.S poultry pork and beef imports

Report Categories:

Poultry and Products Livestock and Products Sanitary/Phytosanitary/Food Safety

Approved By: Eric Wenberg

Prepared By:

FAS Staff

Report Highlights:

Since last reported in GAIN [South Africa's market remains closed (7/13/2015)], South Africa has not finalized issues related to its concerns over the trade measures that stop exports of U.S. poultry, beef, and pork. Since the June 4-5, 2015, Paris meetings that resulted in the draft agreement between the US-SA poultry industries on a quota, USDA and DAFF have met three times and not yet resolved the sanitary issues.

What follows are summaries of the current SPS and trade problems and where the issues stand:

Poultry: On December 25, 2014, South Africa banned poultry exports from the United States due to the detection of HPAI in the western United States. The blanket ban is inconsistent with World Organization for Animal Health (OIE) standards as South Africa has rejected the United States' request for regionalization. There remains a possibility that South Africa will reverse its decision against regionalizing the United States as negotiations continue. The United States is waiting for comments from South Africa on what is hoped will be a final poultry health certificate. Additionally, U.S. bone-in chicken has been affected by an anti-dumping duty put in place in 2000. In June 2015, representatives from the U.S. and South African poultry industries met in Paris and agreed on a tariff rate quota of poultry to enter South Africa without the anti-dumping duty. South Africa has not yet taken steps to place that agreement into force, and continues to wait for the two industries to come to a deal. The South African Poultry Association must only keep denying a deal to the United States poultry industry to delay implementation of the quota indefinitely. United States industry has sent back to South African industry and government what it believes can be a successful agreement.

Beef: South Africa has maintained a ban on the import of all U.S. ruminant products, including pet food, following the detection of a bovine spongiform encephalopathy (BSE) positive animal in Washington State in 2003. On June 26, 2015 the South African Cabinet reportedly issued a decree to recognize the United States' negligible risk status. South Africa Minister of Agriculture Senzeni Zokwana wrote USDA Secretary of Agriculture Tom Vilsack August 4, providing details that the country would recognize The United States' negligible risk status for beef. That letter made many requests for audits, and laid out a very stringent set of conditions for U.S. access. Now the health certificate must be negotiated. Given poultry and pork certificates have been passed back and forth between the two governments over a period of years, it's too soon to forecast when a finalized beef certificate may happen. Unless DAFF prioritizes its discussions with the United States, it may take years.

Pork: In May 2012, South Africa notified the World Trade Organization of a new restriction regarding porcine reproductive and respiratory syndrome (PRRS) and began enforcing the measure in June 2013, which stopped U.S. pork exports to South Africa. South Africa also imposes additional requirements on pork due to concerns for pseudorabies and trichinae. Although USDA believes these barriers are unwarranted, the United States is trying to find ways to compromise and meet some of South Africa's mitigation protocol. Despite concessions by the United States, South Africa approved a limited list of U.S. pork cuts for export to South Africa, which excludes shoulder cuts, a priority for U.S. industry. South Africa needs to put more eligible cuts on the table.