Cheap imports cost plenty

Rising unemployment and falling growth are the consequence of cheap imports and increasing feed costs, says Chris Schutte, CEO of Astral Foods, which reported a 44.73% drop in operating profit to R194-million for the the first six months of its financial year.

"In March 2016, the first US poultry imports arrived in South Africa following the AGOA renewal and this, together with the already high level of poultry imports may exacerbate the imbalance in supply and demand," he said. "The impact of the continued Rand weakness on imports of poultry genetics, maize and soya, weak consumer demand, continued high maize and feed prices until at least rainfall patterns normalise, and high poultry stock levels have necessitated us cutting back on our broiler production."

Schutte also highlighted the potentially negative effect of the brining regulations announced by DAFF that will be legally challenged by SAPA.

"The consumer will be negatively impacted as IQF product prices will have to increase. These regulations will lead to lower production volumes which in turn will result in further job losses in the poultry industry," he said.