

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Notional trade gains for South Africa and the United States

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Trade Policy Monitoring

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Report Highlights:

United States exporters of agricultural products to South Africa, especially meat exporters, face both tariff and non-tariff barriers to trade, including anti-dumping duties and sanitary, phytosanitary (SPS) measures. However, the United States acknowledges that South Africa is an important trading partner and the United States Department of Agriculture (USDA) is working on finding technical solutions on key issues to ensure practical and safe trade in agricultural products for both countries. This report summarizes the notional trade gains for South Africa and the United States if certain technical and other barriers to trade could be resolved.

Notional Trade Gains – South Africa			
Product/Commodity/Trade Issue	Possible trade US-SA	Total South African exports	Total United States imports
<p><u>Red meat (Lamb & Beef)</u> The International Animal Health Organization (OIE) notified the South African Department of Agriculture, Forestry and Fishery (DAFF) on February 14, 2014, that South Africa’s status of a Food and Mouth (FMD) free zone where vaccination is not practiced was formally reinstated. In order for South Africa to be regionalized by the United States, USDA requires the South African Government to complete eight questions regarding FMD measures post their last outbreak.</p>	\$30 million	\$65 million	\$5.0 billion
<p><u>Avocado</u> USDA and DAFF continue to work on a bilateral agreement.</p>	\$40 million	\$90 million	\$1.1 billion
<p><u>Specialty Fruit (Litchis & Persimmons)</u> USDA and DAFF continue to work on a bilateral agreement.</p>	\$10 million	\$25 million	\$2 million
<p><u>Ostrich (cooked)</u> South Africa would need to go through the FSIS Equivalency Process to export to the United States.</p>	\$20 million	\$3 million	\$0 million
<p><u>Citrus</u> The USDA is still working on a rulemaking domestically for Citrus Black Spot (CBS) to harmonize with international treatment of imports. Once the issue is decided in the United States, new areas in South Africa can be added to the USDA work plan for citrus exports to the United States.</p>	\$75 million	\$1.0 billion	\$700 million
Total	\$175 million	\$1.2 billion	\$5.8 billion

Notional Trade Gains – United States			
Product/Commodity/Trade Issue	Possible trade	Total South	Total United

	US-SA	African imports	States exports
<p><u>Pork</u> South Africa implemented new Porcine Respiratory and Reproductive Syndrome (PRRS) regulation on June 1, 2013. DAFF has indicated that it will allow certain recognizable low risk cuts from the United States.</p>	\$15 million	\$70 million	\$5.2 billion
<p><u>Beef</u> In November 2013, the USDA formally requested the restart of discussions for market access for the entire range of United States beef and products to South Africa, in recognition of the OIE changed Bovine Spongiform Encephalopathy (BSE) risk classification for the United States to negligible risk, in May 2013. In May 2014, the South Africa government replied that it is in the process of drafting import requirements for the importation of beef and offal from the United States. However, lately DAFF stated that for the United States to get acknowledgement of its negligible risk status a cabinet level decree must be issued that rescinds a March, 2007 decree that limits beef imports related to BSE.</p>	\$5 million	\$20 million	\$5.5 billion
<p><u>Poultry (bone-in)</u> In 2000 the South African government imposed an Anti-Dumping Duty (ADD), that was been revised every 5 years. In 2012, the ADD was extended for another 5 years. The ADD is currently set at R9. 40/ Kilo.</p>	\$45 million	\$150 million	\$2.0 billion
<p><u>Poultry (Mechanically deboned meat)</u> South Africa maintains a zero tolerance protocol for specified strains of salmonella. The United States poultry industry has strongly asserted this requirement as a barrier to trade. To date, the issue is still lingering as no response from DAFF has been received.</p>	\$10 million	\$150 million	\$50 million
<p><u>Pet food</u> BSE negligible risk recognition</p>	\$20 million	\$40 million	\$600 million
<p><u>Apples</u> In January 2013, DAFF provided USDA with a draft amended phytosanitary work plan to allow imports of apples from Pacific Northwest (PNW) States of Washington, Idaho and Oregon to South Africa. To assist with the work plan, USDA in September provided DAFF with technical data and experimental methods used to control exports from apple maggot-regulated areas of the PNW. This additional information concerning the efficacy of the cold treatment schedules and cold storage practices should complete DAFF's draft phytosanitary work plan/protocol, and enable the export of apples from apple maggot-regulated PNW areas.</p>	\$0.1 million	\$0.4 million	\$1.1 billion
Total	\$120 million	\$430 million	\$14.5 billion