

**Voluntary Report** – Voluntary - Public Distribution

**Date:** May 03, 2024

**Report Number:** SF2024-0009

**Report Name:** South Africa Extends Anti-Dumping Duties on US Bone-in Poultry at Current Levels

**Country:** South Africa - Republic of

**Post:** Pretoria

**Report Category:** Poultry and Products

**Prepared By:** Makoma Makgopa, Amy Caldwell

**Approved By:** Ali Abdi

**Report Highlights:**

Although extension of anti-dumping duties imposed on frozen bone-in poultry portions from the US would typically mean business as usual as these duties are rebated under the tariff rate quota, a current de-facto restriction on applying general tariff rebates to poultry imported under the TRQ makes the announcement more concerning than usual. South Africa has been applying anti-dumping duties to U.S. origin poultry since 2000 and is currently applying them on all other major exporting countries, except Argentina. The announcement from ITAC was made on April 17, 2024, based upon the recommendation from the Commission that the expiry of the anti-dumping duties on frozen bone-in chicken meat imported from the US would likely lead to the continuation and/or recurrence of dumping and the recurrence of material injury.

## **Anti-Dumping Duties Extended**

South Africa has extended Anti-Dumping Duties imposed on U.S. frozen bone-in poultry at the current rates, which have been applied since 2000. However, as U.S. poultry enters South Africa under a tariff rate quota (TRQ) which rebates the anti-dumping duties (ADDs), these duties are not effectively applied to U.S. exports. Although the TRQ only applies to a limited volume set annually by the South African government, U.S. exports have been unable to fully utilize the volume since 2021 due to increased tariffs, increased domestic production, and structural challenges with quota utilization.

Although continued reliance on the TRQ essentially maintains the status quo, U.S. poultry entering South Africa under the TRQ is currently de-facto ineligible for a general poultry tariff rebate (see: [South Africa announces chicken rebates](#)). The International Trade Commission (ITAC) has confirmed that the ADD rebate and the general poultry tariff rebate are not intended to be mutually exclusive. However, the South African Revenue Service (SARS) is currently allowing only one rebate to be applied to a shipment. In effect, this makes U.S. origin poultry uncompetitive with poultry from other trading partners which remains eligible for the tariff rebate. Post has raised this concern with ITAC, SARS, and will continue to encourage the government to create a leveled playing field.

## **Background**

On April 17, 2024, the ITAC announced in the Government Gazette that it would extend the anti-dumping duties on frozen bone-in portions of poultry from the United States following the Minister's concurrence with the Commission's recommendation to anti-dumping duties at current levels.

On June 25, 2021, the ITAC notified interested parties through a government gazette that 'unless a substantiated request is made indicating that the expiry of the anti-dumping duties against imports of bone-in chicken originating from the United States would likely lead to the continuation or recurrence of dumping and injury, the anti-dumping duties on the bone-in chicken meat imported from the US would expire on November 2022.'

According to ITAC, 'a full response to the Commission's sunset review questionnaire was received from the South African Poultry Association (SAPA), on behalf of the Southern African Customs Union (SACU) industry on July 4, 2022, and all after all the deficiencies were identified and addressed, an updated final application was received on September 21, 2022. SAPA's submission alleged that the expiry of the anti-dumping duties on bone-in chicken meat imports from the US would likely lead to the continuation or recurrence of dumping and material injury to the SACU industry.' ITAC reported that the applicant (SAPA), submitted sufficient evidence to arrive at a "reasonable conclusion" that a sunset review investigation should be initiated.

Consequently, an investigation was initiated on December 11, 2022, through a notice which was published in the Government Gazette. Following the initiation of the investigation, all known interested parties were informed and requested to respond to the relevant questionnaires. Although U.S. producers and exporters of bone-in chicken meat from the United States were invited to respond, as prior attempts to respond had not proved fruitful, they reportedly felt that it was not worth the investment. However, ITAC did receive responses from Merlog Foods, a major importer of bone-in chicken meat in South Africa, USA Poultry & Egg Export Council (USAPEEC), and The Association of Meat Importers and Exporters.

Following ITAC's consideration of the comments submitted by the parties, the commission made a final determination that the expiry of the anti-dumping duties on frozen bone-in chicken meat imported from the US would likely lead to the continuation and/or recurrence of dumping and the recurrence of material injury.

The US exports bone-in chicken meat to South Africa under a Tariff Rate Quota (TRQ) that was established in 2016. The quota is applicable between from April to March of the following year. During the 2022/2023 quota year, the total quota allocated was 71,632 tons and only 58 percent of the quota was utilized by the importers. This is because of high tariffs, structural challenges with quota utilization and unfavorable market conditions.

**Attachments:**

[US bone in chicken meat Anti dumping duties sunset review gazette.pdf](#)

[Public Report 716 Frozen bone-in portions USA sunset review.pdf](#)