



<https://www.moneyweb.co.za/news/south-africa/anti-dumping-duties-against-us-chicken-remain-in-place/>

Read the following extract and answer the questions that follow.

### **Anti-dumping duties against UA chicken remain in place**

Dumping will continue to harm local producers without duty protection. The International Trade Administration Commission (Itac) concluded its sunset review investigation on the anti-dumping duties imposed on frozen bone-in-chicken portions from the US. It found that dumping would recur if the duties expired. The duties against chicken imports from the US were set to expire in November 2022. The South African Poultry Association (Sapa) brought a review application on behalf of 68% of the Southern African Customs Union producers. The poultry industry is the largest contributor to the agricultural sector, contributing approximately R72 billion towards the GDP in 2022 and accounts for 65% of all animal protein consumed in South Africa. Moneyweb 19.04.2024

### **Questions**

- 1.1 Name ONE country that is part of the Southern African Customs Union producers. (1)
- 1.2 Why is poultry the biggest source of animal protein consumed in South Africa? (1)
- 1.3 Briefly describe the term *dumping*. (2)
- 1.4 Explain why protectionism measures are necessary within the poultry industry. (2)
- 1.5 How did the avian influenza (bird flu) outbreak last year impact on the price of poultry produce? (2x2) (4)

### **Suggested Answers**

- 1.1 South Africa, Lesotho, Namibia, Botswana and Swaziland (Eswatini)
- 1.2 Affordability, more readily available, easier to farm in comparison to other livestock/accept suitable
- 1.3 Dumping occurs when countries sell their surplus stock in foreign countries at prices which are lower than the domestic cost of production.
- 1.4 The poultry industry is the biggest contributor to the agricultural sector and is a significant source of job creation in all provinces in South Africa, therefore protectionism measures must be applied to ensure that local poultry producers are not impacted/accept suitable
- 1.5 The avian influenza last year resulted in thousands of chickens having to be culled. This led to a decrease in the supply of poultry and resulted in the price of poultry and eggs increasing substantially. Due to the substantial increase in price of poultry and eggs lower income individuals could no longer afford it and had to source alternative protein sources.