SAMPA NEWS – OCTOBER 2025

NRCS Levy for VC9100

On the 31st May the Minister for Trade and Industry published the levy amount for VC9100 that will become effective for the Meat Processing Sector for the production period 1 July to 31 December 2025 with payment of these levies due in January 2026. The levy amounts are per metric ton and are R 60 per ton for Products in Category A, B & G and R 30 per Ton for products in Category C, D, E & F.

The Gazette is available on the NRCS and the SAMPA website together with all the information required per product category.

All producers of RTE processed meat that fall within the scope of VC 9100 must be registered with the NRCS and inspectors are increasing their visit frequency to ensure compliance.

Submission of production data and payment of levies is done via the NRCS on line portal.

Poultry Imports

In May this year Brazil reported an outbreak of HPAI within its commercial poultry industry in the state of Matte Grosso do Sul, which resulted in South Africa placing temporary restrictions on the importing of all Poultry products from Brazil. Consequently very little Chicken MDM was flowing into South Africa. This created a shortage of MDM and many manufacturers and importers started to run critically low on MDM.

SAMPA threw all our resources at the problem and approached the NDA (National Department of Agriculture) and DTI explaining how critical it was to reopen Brazil for MDM imports to avoid factory closures and significant job losses. SAMPA Chairman Gordon Nicoll together with a number of the Management Committee had numerous meetings with senior Government Officials as well as the Brazilian Poultry Association, AMIE and CGCSA all of which eventually resulted in the reopening of Brazil. The South African NDA and their Brazilian counterparts agreed a temporary regionalization protocol in order to facilitate a rapid reopening of trade.

But the question is- ***"*When will regionalization as principle be accepted by South Africa and key trading partners"**

The NDA has been placed under pressure by SAPA to protect the local poultry industry at all cost and SAPA continues to demand that poultry imports should be severely limited if not stopped entirely. Anti- dumping tariffs and high import duties have already reduced bone in import volumes to a trickle. MDM makes up over 65% of all poultry import volumes. If you add chicken offal, feet etc. to the MDM volumes then only 15% of poultry imports are bone-in portions or breast meat.

SAMPA continues to encourage the NDA to negotiate bi-lateral trade agreements with key trading partner countries were bio security is assured and regionalization is agreed as a principle. This remains an elusive ideal but one that SAMPA is determined to pursue until import channels for MDM are secured from a number of countries. Our industry simply cannot rely on Brazil for 95% of our most critical raw material.

Poultry Master Plan – Edition 2

The DTI has begun a Poultry Master Plan Phase 2 and SAMPA is involved in these discussions together with other industry organizations such as AMIE, SAPA, SACU (Consumer Union), AFMA (Animal Feeds Association), CGCSA, NSPCA.

The DTI chair these meetings they have invited many government departments such as NDA, ITAC, NDoH, AFASA (African Farmers Association), FAWU, Land-bank, NAMC (National Agricultural Marketing Council), SARS, Food Bev SETA, Proudly SA to have a seat at the meetings.

As can be seen there are many different interest groups involved with the primary objective of growing the poultry sector, increasing exports of poultry product and widening access to more South Africans to become participants in the Poultry Industry.

Bruce Smit and I are the SAMPA representatives at the PMP meetings aimed at ensuring MDM and other poultry raw materials, critical for the meat processing industry are afforded the appropriate focus and to bring to the discussions issues that are important to SAMPA members.

The final framework consisting of 5 work-stream pillars is now before the Minister of DTI for signoff. Once done work in each pillar will commence.

SAMPA Fee Increase – 2026

At a meeting of the SAMPA committee held on the 10th October it was decided to increase fees by 4% for 2026.

This increase is below CPI and considering there was no increase in 2025 it is a very small adjustment over 2 years.

Labeling Regulation R 3337

I have numerous enquiries as to when the NDoH will implement this regulation. Due to the high volume of submissions made and the limited manpower available to process all the comments and submissions the NDoH has said it will take some time to work through everything. There is therefore no date yet mentioned by when this new and far reaching regulation might come into effect.

I will keep SAMPA members updated as when more information becomes available.

Food Price Inflation

President Cyril Ramaphosa has urged South Africa's major supermarket chains to do more to make food affordable and avoid anti-competitive behaviour that drives up costs.

In his weekly letter to the nation, Ramaphosa said that rising food prices and food insecurity remain key challenges for the Government of National Unity (GNU). While overall inflation eased to 3.3% in August, food prices have continued to climb, particularly for meat and vegetables, putting added strain on households already struggling with unemployment and poverty.

The president acknowledged that retailers face their own cost pressures—such as high fuel prices, transport costs, and drought-related disruptions—but said this does not absolve them of responsibility. "The majority of South Africans depend on supermarket chains for their daily food supply," he wrote. "Retailers have a vital role to play in ensuring access to affordable and nutritious food."

He also condemned cartel-like practices that inflate costs, highlighting recent findings by the Competition Commission. The watchdog has uncovered price-fixing and collusion in several food markets, including bread, milling, and poultry. Earlier this year, an edible oils producer paid a R1 million settlement for price manipulation.

The commission's reports have also revealed a "rocket and feather" pattern in pricing—where retailers raise prices quickly during supply shocks but delay cutting them when conditions improve. Essential items such as chicken, eggs, maize meal, and bread have shown this kind of "price stickiness," the commission said.

Foot & Mouth Disease

The past year has seen many outbreaks of FMD across South Africa but particularly in Kzn. The NDA has joined with the private sector via RMIS (Red Meat Industry Services) to develop a private /public partnership aimed at addressing the many challenges posed by FMD. This has been an important development as the impact of FMD on all facets of the beef value chain has been severe. Beef prices have increased and availability has been impacted and exports shrunk. Farmers, feedlots and abattoirs have suffered especially small emergent cattle farmers.

A coordinated multidisciplinary task team is tackling this challenge and the Red Meat Industry is confident that great strides will be made in the year ahead.

Golden Quarter

We are now 3 weeks into the last quarter of 2025 and I wish all our members good trading during the critical last quarter. The economy remains sticky with persistently high interest rates and constrained consumer spending.

It is an environment where every cent counts.

I wish you all good trading for the remainder of the year.

Kind Regards

Peter Gordon