

Full Length Research Paper

The poultry industry in South Africa is in dire straits and is on the verge of collapse. Is it a political and management issue?

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The study examines the causes of the collapse and chaos in the South African chicken sector. Despite the European Union's (EU) outrage over the chicken crisis claims, should South Africa stop importing chicken that has been dumped in order to keep the business from collapsing? However, the current state of poultry import taxes infuriates the South African poultry business. The study will examine these concerns objectively and contend that increased import taxes won't address every issue facing the South African poultry industry. It briefly draws attention to the Trade and Industry Minister's assertion that chicken farmers face danger. By doing this, the story will present more significant concerns. It is important to note that the South African poultry sector is among the most advanced in Africa, which helps to explain some of the reasons behind its abrupt decline. The collapse of the chicken sector is particularly noteworthy in a nation that is struggling to address its unemployment issues as a result of severe issues with its slow economy and widespread industry layoffs. This is the reality that the nation faces, and it is true that there must be measures to address this frustrating problem. Thus, some of these concerns will be nuanced in the study. At the end of this story, the author will make the case that in order to improve service delivery and address many of the problems facing the nation's overall development, the basic framework of the South African economy needs to be altered. The paper makes the case that the South African economy's basic structure has to alter. Throughout the discussion, findings and recommendations are made, and at the end of the paper, a specific discussion is held regarding some of the conclusions and recommendations that have been stated.

Key words: Poultry, Challenges, European Union, Economy, Unemployment, Collapse, Industry, Dumped Chicken, Imports, Duties, Risk, Structure.

METHODOLOGY OF THE PAPER

The This study was not compiled using traditional research methodology. This is evident from the paper's critical appraisal of the author's chosen concerns. Additionally, pieces from the well-known South African press will be used to place the topic in context, provide structure to the paper, and support the critique of its content. In terms of the main points made in the story, such an approach in no way lessens the paper's impact. However, the work does not lend itself to the application of the traditional research methodology. This method does not inherently restrict the conversation that is being held. As a result, the article discusses the important topics surrounding the near-collapse of the South African poultry sector. It is a significant study in that it discusses issues and challenges that the South African government and poultry industry must confront, and it is significant in terms of its critique and analysis. The narrative is interspersed with recommendations and findings, and at the conclusion of the paper, a thorough discussion of the recommendations and conclusions is conducted.

INTRODUCTION

At this point in its evolution, the old saying that the chickens have gone home to roost applies to South Africa's poultry business. It will completely collapse. Thousands of workers have been forced to the streets as a result of the local industry's collapse following years of neglect and the influx of cheaper chicken imports from Brazil and certain EU nations. Poultry farmers' problems have been exacerbated by the nation's ongoing drought; chicken feed and other crucial inputs have grown too costly for many participants to operate successful enterprises.

"One of the major companies, Rainbow Chicken, says it retrenched 1200 workers a week ago (January, 2017), and this will increase within Rainbow and other chicken establishments in the country," the editor (The Mercury, 2017:6) writes. The precarious condition is causing workers a great deal of suffering, and in a particularly bad economic climate, this predicament will only get worse. To keep afloat, Rainbow has sold 15 of its 25 chicken farms. It would be catastrophic for thousands of people to lose their jobs at a time when the economy is stagnating and job losses nationwide are at an all-time high. The poultry sector in South Africa is experiencing severe stress and a complete disaster.

We must ensure that other areas of South Africa's agriculture and food business do not follow the same course as the blame games, which are currently in full flow. Some blame the government for failing to see the crisis coming, while others blame the cheaper imports. The poultry industry's collapse indicates that South Africa's poultry sector is not prepared to compete with nations such as Brazil and others. The government must support suffering farmers in all areas of agriculture, not only the poultry business. Otherwise, food security will be in jeopardy and certain sectors will be destroyed.

Politicians play games and say that the government should take over chicken farms to protect the industry from complete collapse and save jobs, but they don't address the root causes of the nation's current predicament. Without subsidies, South African farmers are unable to compete on a global scale. The trade union movement and, in fact, the African National Congresses Youth League are making a populist play by supporting the government's purchase of the chicken sector. This may be a shortsighted move because South Africa has a capitalist system of production, and any attempt to take control of the chicken industry by populist means will only make matters worse. It

might be a temporary fix, but in the long run, it will cause the industry to collapse in a terrifying way. The government simply lacks the resources necessary to manage a multibillion dollar industry with the intricacies of the chicken sector. The chicken business in South Africa will eventually be reduced to the lowest common denominator because of significant meddling from the trade movement industry (see the collapse of industries in Venezuela under President Hugo Chavez). This will mark the end of a substantial and established industry that took decades to develop and build, making its resurgence all but impossible. The government must step in and assist our chicken farmers and the commercial poultry sector in order to resolve this frustrating, pressure-filled, and extremely sensitive political issue.

Furthermore, it might be necessary to review some trade agreements that the nation has previously signed under a different economic trajectory in order to preserve jobs and the poultry sector. For millions of people dealing with inflation and the growing cost of living, this will help strike a balance between preserving jobs and providing them with cheaper food (The Mercury, 2017:6). South Africans must cling to the optimism that the ruling African National Congress would find workable measures to help end the job slaughter and save the poultry industry. In light of this, the author will go into further detail in the debate and narrative to examine the problems facing South Africa's chicken business. Actually, every industry and its absence of an industrialization program.

CHICKEN FARMERS AT RISK – DAVIES

Minister of Trade and Industry Rob Davies reportedly stated that "South Africans must defend its chicken farmers from an influx from Europe or face the collapse of the local industry," according to Kevin Crowley. The viability of the sector depends on indigenous firms becoming more competitive, but their efforts will be in vain unless low-cost imports are stopped. The Minister did not, however, offer any concrete suggestions for government action. Put another way, despite the government's representation of farmers and the poultry sector, it is merely grandstanding and more of the same rhetoric. According to the poultry association, imports of bone—in parts like legs and thighs—have tripled to over 188 million kg last year after tariffs were lifted five years ago under a trade agreement between Europe and South Africa (Kevin Crowley, 2017:18). There will always be competitive challenges, but the key question is how the government and the poultry business can resolve the problems that are holding the industry back. In the event that the influx of spare parts from around the world takes over the South African poultry market, there is no question that the issues and challenges will not be resolved if the government, its Trade and Industry Ministry, farmers, and the poultry industry do not take decisive action. According to Crowley (2017:18), "South African farmers and producers claim that imported bone is unfairly undercutting them." — in parts following the removal of European chicken tariffs at the beginning of 2012. Because European consumers prefer chicken breasts, producers on the continent have an abundance of legs, thighs, and wings that they can sell in Africa for a low price." There is unquestionably distress, and this cannot be denied.

Following South Africa's temporary 13.9 percent duty on European imports, EU Trade Commissioner Cecilia Malmstrom wrote to Davies in December 2016 to blame the local poultry industry's troubles more on South Africa's "structural problems" than on European competition (Kevin Crowley, 2017:18). What is the EU's position on this, then?

EU CRIES FOUL OVER CHICKEN CRISIS CLAIMS

According to Mark Allix (2017:10), the EU claims that it is unclear how imports from the bloc relate to purported disruptions in the South African chicken market, particularly in light of the country's two-year drought. However, the Department of Trade and Industry has come under fire from South African manufacturers and the Food and Allied Workers Union, who claim that the department is doing nothing while thousands of workers lose their employment, primarily as a result of EU imports. But according to the EU's numerous remarks on the subject, considering the dire economic situation in the nation, it doesn't seem like the 2016 increase in local feed prices has been given any serious thought. In its several communiqués, the EU also states that 75% of the expenses associated with growing chickens are related to feed, which, when combined with inefficiencies, reduces South African producers' ability to compete. As a former state veterinarian with experience working on South African chicken farms and abattoirs, the author agrees with the European perspective. "There can be little doubt that the cost of chicken in South Africa has been negatively impacted by the recent drought and amid other factors, such as the quality of imported chicken, might also play a role," according to Massimo De Luca, head of trade and economics at the EU delegation to South Africa, as reported by Mark Allix (2017:10). According to De Luca (in Mark Allix, 2017), "South Africa imposed a provisional safeguard duty of 13.9 percent on chicken imported from the EU on December 15." This impacts all frozen bone imports, including parts of chicken from Britain, Germany, and the Netherlands. The tariff will offer a chance to reach a mutually agreeable settlement with the EU, according to the South African Department of Trade and Industry. The department does not explain the approved solution, and since the EU accord will remain in effect until July 3, 2017, other independent studies are needed to determine the extent of the situation. It remains to be known what will happen there after. There is little question that unless the South African government is willing to take the risk and support domestic producers, nothing significant will happen. The EU and Brazil will protest if this path is taken, and if it is not properly negotiated, it might lead to even more catastrophe for the South African chicken industry as well as other industries that import and export goods to the EU.

The import duty on some chicken items from nations including the US and Brazil was raised dramatically to 82% for whole birds, 31% for carcasses, 12% for boneless chops, and 37% for bone-in-ports, according to Mark Allix. Due to South Africa's preferential trade deal with the EU, duties are not imposed on imports, hence this is not the real situation. The legal imports from the EU have left South Africa in a quagmire, and as a result, EU chicken pieces continue to flood the market, making it impossible for South Africa to compete on price with EU nations. "However, anti-dumping measures ranging from 3.86 percent to 73.33 percent were imposed on frozen bone – in pieces from Germany, Netherlands, and the United Kingdom in 2015," according to Allix (2017:10). This does not address the problems facing all EU nations that dump their low-quality goods into the South African chicken market and export to South Africa.

Mark Allix claims that the EU will present its viewpoint to the International Trade Administration Commission (Itac), which has been looking into the alleged dumping of EU chicken since 2013. Additionally, the EU and the Southern African Development Community signed an Economic Partnership Agreement (EPA) in October 2016 that improved agricultural products' access to markets. Since South Africa interacts with the capitalist system of Western nations through agreements made with them through the European Union, this is the main issue that it needs to comprehend rather than protesting. A special trade and development committee will be established under the EPA

agreement to explore new trade defense measures that restrict market access to the other party's market. Additionally, Luca claims that the effects of South Africa's chicken industry's practices on consumer choice have not been fully evaluated (In Mark Allix, 2017:10).

The poultry business in South Africa is sensitive to the brining issue. In order to make the chicken more succulent, it is common practice to inject it with salty and frequently spicy water. However, this also shortchanges the consumer in terms of the bird's true weight. "South Africa is accused of injecting 40 percent of brine into chicken products," claims Allix (2017:10). Critics claim that instead of paying for chicken, customers are now paying for salty water. The new rules limit the amount of brine to 10% for whole birds and 15% for individually quick-frozen sections. Some nations, like as Brazil, completely forbid brining. Some restrict it to 8% of a chicken's weight. These are some of the actual problems that the poultry business faces globally, thus it is important to consider how different nations handle them.

THE SOUTH AFRICAN POULTRY INDUSTRY'S PRECARIOUS POSITION IN RELATION TO THE IMPORT DUTIES STATUS

The South African poultry sector has been protesting the import taxes imposed on poultry goods from other countries for over three years. Due to the increase in foreign product imports and the alleged dumping of chicken in the South African market, which has caused some local poultry companies to announce significant layoffs, these import taxes have come under examination. To solve these issues, the Department of Trade and Industry (DTI) has been collaborating with domestic poultry farmers in partnership with the Department of Agriculture, Forestry, and Fisheries. It must be acknowledged that there is essentially no demand for bone in chicken pieces in the EU, therefore it is more of a by-product for EU producers who may sell bone in chicken portions to the South African market for less money. Bone-in chicken parts are highly sought after in the South African market. In this context, Shepstone and Wylie Attorneys (2017:7) note that "the import duty on several poultry products was significantly increased in 2013 in order to address local poultry industry grievances." Regarding the different duties imposed, EU Ambassador Marcus Cornaro recently denied claims that European exporters are dumping bone-in chicken on the South African market. He also noted that frozen chicken pieces from Belgium, Ireland, and Spain are not the cheapest on the market, and that imports from the Netherlands, France, Germany, the UK, Hungary, Poland, and Denmark are currently prohibited because of the late 2016 avian flu import ban. Both domestic importers and the EU have contested South Africa's import taxes. The challenge's outcome has not yet been made public. The South African government must deal with these issues. It remains to be seen how it will address this problem. Any unfavorable choices made by South Africa could hurt the country's poultry sector even more. Instead of provoking the EU to its own detriment, the administration must proceed with caution and emotionlessness in order to find solutions with the EU.

IN ORDER TO AVOID INDUSTRY COLLAPSE, SHOULD SOUTH AFRICA STOP IMPORTING DUMPED CHICKEN?

The South African poultry sector is claiming that although local producers are highly skilled and efficient, they are unable to compete in an unfair market. The author discusses this cry and other difficulties in order to provide a more coherent understanding of the problem. Large amounts of surplus chicken are being dumped in this market by other nations at rates far below their cost of production, endangering the South African chicken

business, a major part of the nation's maize economy, and thousands of jobs. According to Brinkhuis, Pitman, and Masemola (2017:7), "Chicken dumping is spreading misery in a country with one of the highest unemployment rates in the world, where each wage earner supports up to ten people, and thousands of jobs have already been lost." The South African Poultry Association (Sapa) warned nearly four years ago that if cheap chicken imports continued, 20,000 jobs may be lost. At the time, it was stated that both major and small producers had already lost 5,000 jobs. Eight small to medium-sized chicken farms have shut down since 2012. As imports have increased significantly, the pattern has persisted. Jobs are being lost, producers are being pushed to reduce production, and more are in danger. The entire business is in danger since, according to Brinkhuis, Pitman, and Masemola (2017:7), "the most recent estimate is that 1 000 jobs will be lost for every 10 000 tonnes of dumped chicken imports." However, they add that RCL Foods, one of the biggest chicken manufacturers in the nation, has warned that the dumping might lead to the collapse of the whole South African chicken sector before the end of 2017. An additional 110,000 workers in the maize and soy industries and 110,000 workers in the chicken business are predicted to lose their jobs. Nearly half of the nation's maize output is purchased by chicken producers, and if the chicken sector collapses, the impact on the grain economy will be even more detrimental.

As a phenomena of dumping, these imported chicken chops and parts violate World Trade Organization (WTO) regulations. Local producers are forced to close their doors, lay off employees, and finally go out of business because they are unable to compete with dumping products at artificially low rates. "Chicken imports have increased by nearly ten times in the past seven years, from 3500 tonnes per month in 2009 to 30 000 tonnes per month in the first half of 2016," according to Brinkhuis et al. (2017). Since South Africa allowed chicken imports while other markets closed globally, it has advanced quickly in recent years. More chicken is being sold in South Africa by importers than by many local producers. Since South Africa is one of the few nations that permits nearly unfettered imports of chicken, exporters, especially those in Europe and South America, are targeting the country, making it evident that this is a significant government issue. China has increased tariffs and health hurdles to keep imports out, while Russia, formerly a major market, closed its borders to EU imports in 2014 due to a political standoff over Ukraine and other important concerns. Targeted African nations also put in place a number of safeguards for their sectors. According to Brinkhuis et al. (2017), Ghana is one nation that failed to do so, and as a result, its whole poultry industry collapsed. This is the threat that South Africa faces as more and more chicken imports are dumping into its domestic market. Therefore, dumping has major ramifications for social and economic stability and presents significant challenges for South Africa's policymakers, ranging from food security to unemployment. It has nothing to do with free markets, free trade, or globalization. Furthermore, it is not a matter of world-class producers in other nations undercutting an inefficient South African sector.

With manufacturing costs significantly lower than those in Europe, South Africa's contemporary chicken business ranks sixth in the world for efficiency. However, because all of them set technical barriers to prohibit access, South Africa can sell to virtually no country. For instance, because South American countries do not accept South African abattoirs, which are world-class in terms of infrastructure, veterinary control, and sanitary standards, South Africa is not permitted to export chicken to these nations. It takes years to receive a clearance veterinary and health certificate, and their approval of our abattoirs is a needless and drawn-out process. We see that other regions, like the US and Europe, claim that South African ostriches have bird flu, and despite the fact that the South African chicken industry has never had avian flu, they use this contrived argument to block South African exports. This makes South Africa realize that its

hands are tied because it has entered into capitalist agreements and has thus put itself in a no-win situation. Due to a devious scheme by these US and European markets, South Africa is at a disadvantage and is being kept hostage by the demands of vulgar commerce, which undermines free capitalism. Given the nearly certain collapse of its poultry industry, the South African government must now take these trade agreements very seriously and exert pressure on the WTO or stand outside of its mandates for its own benefit. The government of South Africa needs to take a cue from other African nations like Nigeria and Kenya, which have outlawed the import of chicken in order to build their own businesses. Each of these nations recognizes the value of employment and food security. It appears that South Africa does not comprehend or value the need of looking out for our own interests. To put it another way, the EU must be dropped as a partner, and we should consider expanding our trade with favorable emerging markets and the African market. It is important to realize that we cannot trade against chicken that has been dumped and sold by the EU at a price significantly lower than its cost of production.

In terms of unfair competition, dumping is not fair competition, because if it were, South African producers would fiercely compete against imported goods. Additionally, it is important to realize that exporters are price takers and will sell their enormous surplus of brown beef leg quarters for the best price. They will just accept even lower pricing to cover the hikes if tariffs are hiked. Thus, we observe that employment and contracts in the local industry are being lost. In a nation where the official unemployment rate rose to 27% in November 2016, the broader definition, which includes those who have given up seeking for work, is 36% (other sources place this figure at 42% and 45%, respectively). When major food-producing enterprises are threatened, food security also becomes a problem. For most South Africans, chicken is their main protein source, and local producers have been providing it. That security will vanish if the domestic industry fails and the nation becomes dependent on imports. When a superior economic opportunity presents itself, foreign producers are free to change markets or boost pricing. "The impoverished are not even friends with dumping. Local customers might be able to get cheaper chicken for a short time, but they will eventually have to pay more or risk going hungry, according to Brinkhuis et al. (2017). Put another way, dumping is a destroyer, which is why the South African chicken industry and its thousands of workers need protection—not because the industry cannot compete, but because dumping is destroying it. The WTO has outlawed this practice in theory, but no action is being taken against the EU countries that continue to dump with impunity and are determined to destroy the local industry, thus solidifying its goal of fostering a dependency syndrome against smaller nations like South Africa and many others on the African continent.

According to Brinkhuis et al. (2017), "with government to investigate a way forward beyond the insufficient provisional 13.9 percent safeguard duty that was imposed on EU imports in December 2016," important labor and industrial stakeholders have started talks. In order to safeguard the South African chicken business, South Africa must move swiftly and adopt the technological obstacles that other nations have utilized, such as phytosanitary measures, health inspections, and requirements for slaughterhouse certification. This implementation scenario cannot be contested. Brinkhuis et al. (2017) state that chicken dumping "is becoming a national crisis." By Christmas 2017, there may be another 130,000 unemployed persons in the nation, leaving 1.3 million family members and other dependents without food or money if nothing is done. The bleak possibility serves as a wake-up call for the legislators who have the power to stop it. The African National Congress, the reigning and governing party, has the upper hand.

ARMYWORMS ALSO THREATEN SOUTH AFRICAN CROPS AND MAIZE THE HEART OF THE POULTRY INDUSTRY

Following up on the last debate, fall armyworms have devastated maize fields from Ghana to South Africa since they arrived on the continent last year. They have the potential to expand to Asia and the Mediterranean. "South Africa confirmed that the caterpillars arrived in the continent's largest producer of maize, after traveling from Zambia through Zimbabwe," the Business Report (2017:1) states. As South Africa and the area attempt to recover from the worst drought in over 35 years, the insect has the potential to destroy farms. The destruction that can be done to the nation's maize and other crops has left South Africa's poultry sector even more vulnerable to threats to its survival and sustainability than it formerly was. Millions of people worldwide are in danger of losing their means of subsistence due to the belligerent armyworm.

The caterpillar burrows into the cobs and attacks the development points of young maize plants, destroying them. In many regions of Africa, this poses a threat to food security. Malawi, Zambia, Zimbabwe, South Africa, Namibia, and Mozambique have all been affected. Additionally, reports from Benin, Togo, and Nigeria indicate that they are spreading quickly, according to Kate Kelland (2017:16). Although it mostly damages maize, it has been observed to consume over 100 different plant species. This would undoubtedly severely depress South Africa's chicken business, and it is likely that the country will have to import maize, which will raise the cost of poultry feed. The government must now take immediate action to assist farmers in determining the most effective management practices and methods needed to control the insect. As the saying goes, "It never rains, but it pours." As it struggles for survival, the South African chicken industry is currently in extremely bad shape. According to Kamcilla Pillay (2017:2), the following problems are at the heart of the army worm outbreak:

1. "Hampers drought recovery efforts and farming productivity.
The aggregate maize production last year was estimated about 7.7 million tons, down 27 percent from the previous year's already reduced output.
2. The primary cause of the sharp drop was the drought conditions brought on by El Nino, which reduced white maize yields by 25% when compared to the five-year normal. The smaller harvest was also a result of a general decrease in the area planted.
3. *Spodoptera frugiperda*, a native of South and Central America as well as the Southern States of the United States, may be the armyworm. It was initially found to be killing maize plants in the North West and Limpopo regions of South Africa. Within the Republic's maize quadrilateral, the North West is a significant province in terms of maize output.
4. The moths are good flyers and wind currents may disperse them over large distances.
5. Farmers have to be given the accurate and continuous technical information about the worm, together with control options by the government.
6. Pheromone traps would be imported into South Africa to determine the exact extent of the spread and the specific strain of worm present.
7. An awareness campaign by the government has been instituted across all provinces.
8. Maize is also the staple diet for most South Africans and, an essential for poultry feed and, is also grown for broad animal feed regimens and therefore, solutions have to be found soon.

9. It would further reduce the likelihood of a successful crop harvest and the recovery from the drought. The cereals that have been most impacted are maize, sorghum, millet, and wheat. There is a threat to South Africa's entire agriculture sector.
10. The pest can cause damage to the extent of 73 percent of the crop depending on existing conditions and, is difficult to control with a single type of pesticide.

With the possibility of suffering from the whims of low-cost poultry imports, the ongoing importation of maize, and the insensitivity of the capitalist European Union and the USA, including Great Britain, to human welfare, it is imperative that the South African government, its Ministry of Agriculture, and the commercial agricultural sector of South Africa improve their ability to prevent, detect, and react quickly to any new pests and disease threats that could bring agriculture and the poultry industry to its knees.

THE POULTRY SECTOR'S PROBLEMS WILL NOT BE SOLVED BY HIGHER IMPORT DUTIES

It is clear from the paper's narrative and discussion thus far that industry needs to address value-chain dominance by large corporations and increase cost efficiencies. There is no denying that South Africa's poultry business makes a substantial economic contribution. "The poultry industry provides direct and indirect employment for more than 100,000 people in the wider poultry value-chain," according to Ratshisusu (2017:13). Almost 38 kg per capita were consumed in 2014, with beef consumption coming in far behind at 18 kg per capita, according to the Poultry Association. Since 2009, poultry meat has also continuously been the least expensive form of animal protein. However, despite the corresponding rise in import volumes over the same period, the average retail price of frozen chicken portions has increased by more than 20% over the past 12 months due to imported chickens, which is a sign that the local industry is rapidly losing its competitiveness, according to Ratshisusu (2017). However, it is extremely concerning that RCL Foods, one of the largest poultry producers in the nation, is planning to lay off 1,350 workers. Following 38 years of operation, Mike's Chickens, a family-owned firm in Polokwane, Limpopo Province, was forced to leave the sector in 2016. Over a thousand jobs were lost as a result. The third-largest broiler producer in the nation, Country Bird, will lay off 1,500 workers, he continues. The chicken value chain is concerned about this.

Local poultry companies in South Africa also keep others out of the market by failing to supply the required inputs. One example of this was when Astral Foods denied Country Bird access to breeding stock and halted vertical integration competition in the market. Following parting negotiations with Astral Foods, Country Bird went on to introduce a rival breed onto the South African market. But not all of the difficulties were resolved. Therefore, it is clear that in order to stop the trend, the government, industry, and labor must work together very closely.

Of employment losses and market participants' departures. Focusing on import taxes while neglecting some of the other issues might not be a long-term way to guarantee the industry's viability. According to Ratshisusu (2017), some of the difficulties are as follows:

- "A constructive, long – term approach to resolving these challenges

- Raising import taxes without addressing some of the other issues local poultry producers confront might not be a long-term way to guarantee the industry's viability.
 - The persistent challenges are far more important than import penetration seen by the highly concentrated nature, an outcome of the significant barriers to entry along the entire poultry value – chain.
 - The value – chain is dominated by a few large, vertically integrated companies that have the capital required to achieve the economies of scale necessary for a sustainable business operation.
 - As a pre-1994 relic of apartheid, these companies' subsidiaries operate at every stage of the value chain, from the upstream production of animal feed to the downstream of abattoirs, where broilers are killed and prepared for human consumption.
 - The big South African poultry firms' monopoly needs to be broken so that smaller competitors can enter the market. The government must take responsibility for this after almost 23 years of democracy and freedom. Since EU nations are permitted to control and monopolize the South African poultry industry, vertical integration in the domestic sector should and will result in lower production costs and lower prices for consumers, so these big South African companies don't need to complain. In many respects, we are to blame for this. Therefore, the government needs to look at this anomaly more thoroughly.
 - Because they depend on their main rivals for essential inputs like animal feed and breeding stock, small market participants who are not vertically integrated are clearly at a disadvantage to larger rivals. Prioritizing industry transformation is also necessary. This can be done by helping newcomers to the industry reach economies of scale, which will guarantee that they become long-term rivals in the marketplace.
 - Instead of only asking for government protection, established businesses should offer alternatives that would open up the market system and allow these new competitors to prosper.
 - The government must adopt, supervise, and mandate supplier-development measures to improve market access, vertical separation, and cooperative R&D projects. If the industry wants to ensure long-term survival, the cost inefficiencies associated with producing poultry products in South Africa must be addressed immediately. "
- examines the problems in this area and describes what is being done and what needs to be done. In this context, the following is a summary of Mthethwa's (2017) analysis with the author's emphasis added:
- "With increasing layoffs in South Africa's poultry industry, which is a reality, more layoffs are likely to occur in the future." For worker layoff, RCL Foods committed R1 million for skill development training. This is insufficient because workers are unable to support their families.
 - It also doesn't help with the nation's high unemployment rate, therefore the government must join forces with poultry companies and take immediate action to revive the struggling sector. Over a 14-year span, chicken imports increased sevenfold, from 63,722 tons in 2001 to 456,794 tons in 2015.
 - This is alarming and nearly impossible to understand. Therefore, the government must carefully consider the kinds of agreements it has made with the EU and other nations that are permitted to import chicken and chicken products into the nation. For the benefit of the South African poultry industry, these agreements must be revised.
 - The Department of Trade and Industry has formed a task force, and the ANC is anticipated to place a high priority on the chicken crisis; however, the government was forewarned by the trade unions that 40,000 jobs could be lost.
 - The DTI acknowledged during its presentation to parliament that the poultry industry was in crisis, attributing it to consumers' preference for "brown meat" like drumsticks and wings. • The ANC stated that it had decided at its meeting that the government should buy struggling poultry farms.
 - The DTI suggested that the practice of dumping should be challenged in local courts or at the World Trade Organization. If agreements have already been made, can this actually resolve the issue? In order to revitalize the industry, the government must assist the farms that have been sold to domestic buyers. This gives the government the chance to eliminate imports.
 - Trade instruments are a short-term solution to a long-term problem, and although they are urgent, they must be implemented to address the harm caused to the poultry sector because the industry remains vulnerable. Therefore, long-term solutions lie in creating policies that drive the sector's competitiveness. This would create 50,000 direct and indirect local jobs, which is 5% of the national target.
 - This opportunity can be used to conduct a major transformation of the industry.
 - Since South Africa's import embargo only affected four of the twelve qualifying EU countries, the avian flu outbreak in the EU would give the industry some breathing room. Imports could be drastically reduced for the duration of this prohibition if it is implemented in a coordinated and sustained manner; all signs point to a possible at least 50% drop in EU imports.
 - The industrial policy action plan, incentives for the poultry industry, and the department's request for a specific focus on the poultry industry since mid-2015, when it was negotiating the African Growth and Opportunity Act poultry deal, are, in theory, supported and agreed upon by all stakeholders in the South African poultry industry. Stated differently, AGOA is beneficial, but it also has to be examined more thoroughly and from a new South African angle. (Bongani Mthethwa, 2017:6; with the author's commentary and emphasis).

As noted by the University of Johannesburg's Centre for Competition, Regulation and Economic Development, the high cost of animal feed is of critical importance," says Ratshisusu (2017:13). Local producers' economic inefficiency suggests that the industry will find it difficult to stay competitive. Therefore, local producers and policymakers should be willing to recognize and address the domestic issues facing the local industry immediately, and they should avoid the temptation to focus solely on short-term fixes. Protecting the domestic poultry sector is also crucial and hence becomes necessary in cases when imports are dumped.

The Bellauded Chicken Industry Does Not Have Gold at the End of the Rainbow

According to Bongani Mthethwa, a task force is attempting to prevent the complete collapse of South Africa's chicken industry amid closures, layoffs, and calls for a complete ban on imports (2017:6). In order to salvage South Africa's struggling chicken sector, the story After everything is said and done, it is envisaged that the DTI-coordinated task team would develop plans and frameworks that address cost competitiveness issues. As of right now and for the foreseeable

future, South Africa's struggling chicken business doesn't appear to have a bright future.

OVERALL DEFINITIONS AND ADVICE FOR CHANGE IN THE SOUTH AFRICAN ECONOMY'S FUNDAMENTAL STRUCTURE AS WELL AS THE CHICKEN INDUSTRY: IT'S TIME FOR A FEW POLICY DUCKS

1.1. Conclusions and Recommendations

After over 23 years of democracy and independence, there is generally a problem with the policies of the current government in the State of South Africa. This is because the economy, which is beset by internal strife and corruption within the ANC, lacks policy clarity and certainty.

According to Garth Strachan, the country's industrialization tsar, "this has led to the failure to industrialize at the required rate" (In Chris Barron, 2017:9). The unemployment rate in South Africa is so high that government industrialization initiatives hardly scrape the surface. Garth Strachan, a Deputy Director General in the Department of Trade and Industry, is interviewed by Chris Barron, who highlights these imperatives:

- "The government is not creating jobs as quickly or in the scale that is required.
- The lack of policy coherence and programme alignment in government actually is a very big constraint.
- The negative aspect was the beleaguered Eskom CEO's sudden announcement that he was leaving the state-owned company due to his affiliation with Capital and the Gupta Family, who were heavily criticized in the Public Protector's State Capture Report for their business dealings with the South African government and banking industry. Last year, the government's independent power producer procurement scheme was completely destroyed by Brian Molefe. He declared that the utility will no longer enter into contracts with independent power providers to buy renewable energy. The South African administration has often pointed to the country's renewable energy initiative as a prime example of how successfully industrialization is functioning. This is excessive government propaganda and a lie. It is currently in risk of disintegrating and demonstrates the illogical and untrustworthy nature of South African policy certainty and execution. Foreign investment and the growth of local component manufacturing companies, the most of which are black-owned or at the very least BEE compliant and involved in job creation, will be severely impacted by all of this. It is a vital source of foreign direct investment and is required to generate demand for locally produced wind and concentrated solar power components.
- SMA, one of the biggest producers of solar inverters worldwide, closed its Cape Town factory following Eskom's announcement, and at least three other component manufacturers are probably going to do the same.
- It is quite concerning when businesses in the industry close or are about to close. Eskom's judgment must be overturned. It will be difficult to undo the harm that has been done because so much trust has been lost. The procurement program for independent power producers is crucial, and policy alignment must be ensured, which basically means linking those producers to the grid.

- Similar considerations apply to the labor-intensive gas industrialization program, where program alignment and policy clarity are crucial. These are or must be non-negotiable issues.
- Without a doubt, government agencies are working against one another, which further undermines the predictability of policy. As an illustration, the Department of Home Affairs is causing chaos by interfering with the Department of Tourism's efforts to expand what many consider to be an even more significant industry in terms of its potential GDP contribution than renewable energy.
- The coherence of intra-governmental policies and program alignment must be guaranteed. The renewable energy industry now lacks policy alignment, and this is true for all sectors.
- The industrial strategy's results—job creation, investment, economic growth, exports, and so forth—will suffer if South Africa's policies do not correspond, and this has already started to put the nation, which is currently experiencing a severe economic crisis, at serious risk.
- Investment and job generation must be the main goals of industrialization. There won't be much possibility of obtaining the foreign investment required for its success if this isn't done. Stated differently, program alignment and policy coherence are non-negotiable. It is among the requirements for the advancement of industry. South Africa will suffer from less than ideal results in mining, agriculture, and manufacturing if it does not exist. The struggling poultry sector also depends on the latter two.
- The government of South Africa has been reluctant to deal with the private sector fairly and has not recognized its significance for the nation's development. This business sector collaboration is crucial. The government has overlooked the fact that business executives will not fund initiatives if they think they will be weakened by competing political objectives. These agendas, which result in a blatant lack of policy clarity, are now a defining feature of the political environment. After nearly ten years under the Zuma Presidency, this results in government stagnation, a characteristic of the South African government, and ministers are now more focused on survival than industrialization.
- With a twisted tongue, the minister of trade and industry assures investors that South Africa is a safe place to invest. How can the nation remain open to business when, as he acknowledges, investors are being turned off by unclear policies and competing governmental agendas?
- A labor-focused industrial strategy is undoubtedly hampered by sentimental and political unpredictability difficulties.
- State-owned businesses that serve as political allies for powerful members of the Cabinet and are typically ineffective should be examined so that some may be or should be privatized. These are profit-making businesses that impede the nation's coordinated and sustained development while advancing political objectives. The majority of the issues that have prevented state-owned businesses from contributing more effectively to industrialization have been self-inflicted rather than the consequence of external circumstances.
- In South Africa, rent-seeking behavior is a significant issue that seriously impedes industrial development.
- Businesses must increase their labor intensity and competitiveness in order to be eligible for government subsidies.
- A significant investment in technology is required.
- Since technology will reduce the need for employees, labor changes will be required to incentivize businesses to become more labor intensive. Considering the Fourth Industrial Revolution, many economists wonder if the government should be involved in selecting winners to distribute taxpayer funds to certain people, businesses, or industries. The market does this more efficiently, doesn't it?
- The government must step in to address market failings (Chris Barron, 2017:9, emphasis and author's further comments).

Without a doubt, South Africa faces several difficulties, the most significant of which are the lack of consistency and clarity in its policies. We must provide policy certainty at home. Other significant

obstacles include inefficiencies and fees associated with rail and ports, electricity, and rent-seeking, in addition to the current grave situation facing the South African chicken sector, which is in danger of collapsing. All of them are clear obstacles to industrialization.

As Brian Mhlangu (2017:14) states, "Any country under normal economic conditions, set economic goals entailed in growth and development plans that, cannot be realistically achieved either in medium-term or long-term, are not worth pursuing." This is important to keep in mind when discussing growth and development. A more inclusive economy has not reduced poverty during the last ten years; rather, social subsidies have provided some respite for the most impoverished. It serves just as a safety net and impedes the growth and job possibilities that the government must offer. The huge fiction is easier to believe than the little truth. In South Africa, the ownership, management, control, and active participation aspects of the economy are still unjustly skewed in favor of a small number of people at the expense of the impoverished majority of the population. The government, which has ruled for almost 23 years in a democracy, is directly to blame for this. In essence, the government is incompetent and has exhausted all viable options for improving the faltering economy. Under President Zuma's administration, this situation has persisted for nearly ten years.

This structure has been exclusive for over a century and continues to be exclusive for over half of the population, according to Brian Mhlangu (2017). It is scarcely able to generate inclusive economic growth that benefits every citizen. The majority is excluded from the processes of economic production because of the unfavorable results of intentional economic policy formulation by others, which leads to long-term imbalances. Our politicians, who support the neoliberal policies of these capitalists, share our belief that inclusive economic growth will eventually benefit South Africans without jobs, who are estimated to number over 42%. The question of which political and economic policy tools can be used with effective results to address the ownership, management, and control of the nation's resources remains. Even if the economy grows by 5%, South Africa will not undergo any change as long as its structure is unaltered and primarily controlled by white capital and avaricious politicians who amass wealth at the expense of the poor.

"A fundamental re-engineering of policies cannot be executed successfully by merely paying lip services, using blunt instruments that have been proven to be failures of the ANC government post democracy," as Mhlangu (2017) notes. The political and economic leadership must have the guts and dedication to make the economy work for everyone, even if it means taking extraordinary steps and making sometimes hard decisions. The transformation project in South Africa, which was a vital means of escaping the legacy of apartheid, has failed miserably because it has not been able to move past stagnation to the point where it can meet genuine demands and expectations. This is the situation where a democratic administration is incompetent and prioritizes its own survival over the welfare of the populace.

CONCLUSION

- The negative aspect was the beleaguered Eskom CEO's sudden announcement that he was leaving the state-owned company due to his affiliation with Capital and the Gupta Family, who were heavily criticized in the Public Protector's State Capture Report for their business dealings with the South African government and banking industry. Last year, the government's independent power producer

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In addition to discussing some aspects of the industrialization program's failure due to a lack of policy coherence, coordination, and clarity, this paper tackled the frustrating problem of the South African poultry industry's collapse due to inefficiencies on the part of the South African government. If these problems are not resolved quickly, South Africa will descend into a situation where poverty, inequality, and unemployment will become the norm, and it would be nearly hard for the nation to escape.

In this sense, the government has lost the moral high ground as it seems to be seeking answers through supernatural intervention rather than through the responsibility of running the nation. That is to say, it has run out of ideas, as demonstrated by President Zuma's State of the public Address, which was given to the public and parliament on Thursday, February 9, 2017. His speech consisted solely of populist rhetoric about the increased land distribution to Black people and the low level of Black participation on the Johannesburg Stock Exchange. These issues were referred to as radical transformation initiatives in relation to the slow economy, growing inequality, and poverty caused by the government's incapacity to create jobs and spur growth, which was only 0.5 percent last year and is only expected to reach 1.3 percent this year. It is unlikely that 2017 will see growth of more than 1% either. This is the reality of a nation ripped apart by the narrow-minded politics of the ruling party, a government that has no idea how to achieve long-term economic growth, lead its citizens to economic recovery, and alleviate the suffering of the majority Black population, who endured the hardships of apartheid and are still subject to the so-called democratic government.

A complete lack of policy cohesion and coordination, as well as the lack of certainty necessary to inspire any confidence in a government that has lost sight of what a developmental state means and how to handle the complexity of the economy and the serious social issues that go along with it, are examples of how the government's vision and its policy imperatives once again lost the momentum to regain the moral high ground. The reconstruction of the South African health, education, and other vital sectors is in ruins because no concrete plans were announced to carry out the National Development Plan, which has been in the works for almost ten years and the first phase of implementation is still unfinished after five years. Year after year, the 2017 State of the Nation Address only reiterated the same imperatives and addressed the same problems. In the face of severe economic conditions, the president failed to provide the country the direction and leadership it needed. There were no concrete plans for addressing the faltering economy, and the poultry business crisis was not brought up.

In order to achieve policy coherence and sustained coordination in terms of the expansion of the South African economy, the government must now take decisive action and move toward sensible and well-coordinated policies. It will be the target of the majority of voters in the 2019 national elections unless it takes significant action.

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