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Agbiz meets with USDA on AGOA

The U.S. Department of Agriculture's (USDA) regional Minister Counselor for Agricultural Affairs in Pretoria, Eric Wenberg, briefed Agbiz and members on the status of bilateral negotiations on U.S. market access and the ongoing review of South Africa's future participation in the African Growth and Opportunity Act (AGOA) this week.

Congress mandated an "out of cycle" review for South Africa that is currently being conducted by the U.S. administration. Wenberg explained that the new AGOA legislation changed the way the Administration uses AGOA by giving the United States the flexibility to reduce or eliminate tariff access for specific products for AGOA countries, if needed. The legislation no longer requires a simple all-or-nothing annual renewal. The out of cycle review for South Africa was part of the new law.

The United States will conclude its review by the end of September and announce the results soon after. From the U.S. point of view, progress on the U.S. market access requests for poultry, pork, and beef, is when trade resumes. He characterized the situation that with South Africa, negotiations have proceeded past "no" but have not yet gotten to "yes".

The South Africa and United States agreed on a level of poultry access in Paris on June 4 and 5; South Africa has yet to begin to implement that quota. After exchanging several drafts, the United States sent back its position on the quota to South Africa on the 8th of September and awaits a final deal. Wenberg said that the agreement needs to be on the principles agreed to in Paris and that the U.S. industry was concerned about the long delay in South Africa's agreement to implement the quota. There are currently negotiations with DAFF on sanitary measures regarding beef, pork, and poultry.

While those negotiations have advanced, they have not concluded. The next round of negotiations will be held on the 14th of September in Pretoria, and marks the fourth engagement since June. The biggest current sticking point is the U.S. request that South Africa regionalize the United States over the question of its highly pathogenic avian influenza outbreak. Wenberg explained the several levels of assurance that the United States Government was providing to ensure that all U.S. poultry offered to South Africa is completely safe. The United States currently exports poultry to over 100 countries without restrictions for HPAI, and to another 38 countries with some form of restriction where those nations accept U.S. regionalization protocols. Wenberg emphasized that South Africa and the United States have more to gain by collaboration than competition. Wenberg presented USDA's analysis that indicates South Africa could gain \$175 million in new exports to the United States for citrus, avocados, lamb, beef and other products.

The USA is prepared to help South Africa with its poultry development and building new business. Members of other U.S. industries, such as its pork industry, are ready to travel to South Africa to help train South African industry about how to meet U.S. guidelines for food imports. Wenberg reported USDA's disappointment that when its Deputy Secretary Krysta Harden visited Cape Town August 13-15, the U.S. embassy was unable to secure a bilateral meeting for Harden with DAFF Minister Zokwana or Deputy Minister Cele.

Harden last visited South Africa two years ago. Harden was in South Africa to address the Produce Marketing Association conference and reviewed USDA preclearance procedures that assist SA citrus exports to the United States. Wenberg said, "The U.S. goal is to raise consumption worldwide for agricultural products, and where it exports does that with cooperation from local industry." "Trade grows jobs" he said, "the USA is largest agricultural importer and ready for more SA products, but wants the US market access questions resolved". Agbiz raised the issue of rather replacing the unilateral trade access concession, which is AGOA, with a negotiated bilateral Free Trade Agreement, and this was strongly supported by the USDA.

ENQUIRIES

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