



Press Release

FAVOURABLE OUTCOME FOR SA POULTRY PRODUCERS FOLLOWING TALKS WITH US

8 June 2015: Chris Schutte, CEO of **Astral Foods Limited** (Astral), was tasked to form part of a delegation of South African government and industry officials who met with their United States (US) counterparts, in Paris (France), for two days of talks on agricultural and broader trade matters. These talks aimed to address the outstanding agricultural trade issues related to South Africa's eligibility in terms of the African Growth and Opportunity Act (AGOA).

The South African delegation was led by Ambassador Faizel Ismail and included senior officials of the Department of Trade and Industry, which included Minister Rob Davies and representatives of the Department of Agriculture, Forestry and Fisheries. They were joined by Kevin Lovell, CEO of the South African Poultry Association and poultry association members.

Schutte confirmed that a framework was agreed upon that provides for the return of poultry exports into South Africa for US bone-in-chicken portions at 65,000 tonnes per annum, and that this is deemed to be an acceptable outcome to the negotiations for South African poultry producers. The South African government will implement the agreement following a regulatory and administrative process that will take approximately 4 to 6 months. These imports will not be subject to the anti-dumping duties currently in place against US poultry, but will be subject to an ad valorem MFN (most favoured nation) import duty of 37%. "We are pleased with the outcome of these negotiations and believe that sanity prevailed where we were able to "protect" the poultry industry from untenable levels of US bone-in-chicken imports."

The Minister of Trade and Industry, Dr Rob Davies, also stated that: "The framework agreed by the two industries, facilitates South Africa's continued participation in AGOA and is a commendable effort by the poultry industry in the interest of the South African economy."

Ambassador Gaspard, the US Ambassador to South Africa that led the US delegation, said: "The Paris meetings made significant progress and demonstrated that the US and South Africa can work together to address trade issues. I am happy with the progress towards a mutually agreed solution that we made, and look forward to our working together to resolve bilateral trade problems."

Schutte concluded with the following statement: "I would like to thank Ambassador Faizel Ismail and Minister Rob Davies for affording the poultry producers the opportunity to form part of the South African delegation and to participate in the talks. The outcome of these talks was critically important to the South African poultry industry, and by taking into account our concerns and recommendations I believe the agreement reached with the US will contribute to a positive trade relationship between the two countries under AGOA."

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Company background

Astral Foods Limited (Astral), a leading South African integrated poultry producer, with key activities in animal feed pre-mixes, manufacturing of animal feeds, broiler genetics, production and sale of day-old chicks and hatching eggs, with integrated breeder and broiler production operations, abattoirs as well as sales and distribution of various key poultry brands. The brands in the Astral stable include:

- County Fair
- Festive
- Goldi
- Earlybird
- Mountain Valley
- Ross Poultry Breeders
- National Chicks
- Meadow Feeds
- Tiger Animal Feeds (Zambia)
- Tiger Chicks (Zambia)
- Meadow Feeds (Mozambique)
- Mozpintos (Mozambique)
- CAL Labs
- Provimi SSA