Wheat Imports 'A Threat' to Local Farmers

Business Day (Johannesburg) January 4, 2005 Siseko Njobeni Johannesburg

GRAIN SA chairman Bully Botma yesterday urged government to introduce higher tariffs to protect the country's wheat growers against cheap imports mainly from subsidised countries.

He said SA was a net importer of wheat, producing about 1,5million tons of wheat against domestic demand of about 2,5-million tons a year.

SA has about 4000 commercial wheat farmers, employing about 28000 people.

Botma said local producers had come under strain due to an influx of cheap wheat from heavily subsidised countries.

"Government has to catch a wake-up. Wheat is highly subsidised in the UK and US. Their producers have an unfair advantage over ours. In addition to these countries, we also get a lot of wheat from South American countries, which have much lower input costs than ours.

"So government must consider increasing tariffs on wheat to protect the local producers. The playing fields are not level at the moment," Botma said.

"The current situation is killing our producers and some may even stop farming."

He said SA could, in terms of World Trade Organisation rules, raise import tariffs to protect itself against unfair imports.

Several small towns, especially in Western Cape, relied on agriculture and the wheat imports presented a serious threat to them, he said.

Botma said sunflower producers experienced similar problems. Some sunflower oil imports came into the country bottled, "which means it's not only the producer who suffers but the entire value chain".

Botma also attacked the South African National Chamber of Milling for providing local producers with the imported highlielding Tugela cultivar, which he said was of inferior quality.