

## GENERAL NOTICES ALGEMENE KENNISGEWINGS

### NOTICE 362 OF 2014

#### NATIONAL AGRICULTURAL MARKETING COUNCIL MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996, AS AMENDED (ACT No. 47 OF 1996)

#### REQUEST FOR THE CONTINUATION OF STATUTORY MEASURES RELATING TO LEVIES, REGISTRATION AND RECORDS & RETURNS IN THE RED MEAT INDUSTRY IN TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT

It is hereby made known that, in terms of section 10 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996) (MAP Act), the Minister of Agriculture, Forestry and Fisheries has received a request from the red meat industry for the continuation of statutory measures relating to levies, registration, the keeping of records and the rendering of returns. The Red Meat Industry Forum (RMIF), representative of most the role players in the red meat industry, applied for these statutory measures.

The current statutory measures for the red meat industry will expire on 4 November 2014. The RMIF requested ministerial approval for the continuation of these statutory measures for a new period of four years, from 5 November 2014 to lapse on 4 November 2018. In terms of this application, the red meat industry refers to role players involved in the production and marketing of cattle, goats, sheep and its products, as well as products purchased for processing.

The proposed statutory measures in the red meat industry will be administrated by the Red Meat Levy Administrator (RMLA), which performed this role for the past few years. The proposed new levies will be as follows:

| <b>Cattle</b>   | From 5 Nov<br>2014 until<br>Nov 2015 4 | From 5 Nov<br>2015 until<br>Nov 2016 4 | From 5 Nov<br>2016 until<br>Nov 2017 4 | From 5 Nov<br>2017 until<br>Nov 2018 4 |
|---|--|--|--|--|
| Deducted and retained from the selling price of each animal by any buyer of such animal. In the event of an animal not reaching the place of slaughter the levy shall be payable by the buyer to the Levy Administrator | R4.68 per<br>head                      | R5.15 per<br>head                      | R5.67 per<br>head                      | R6.24 per<br>head                      |
| Payable by the owner at slaughter, to the abattoir who slaughters such animal. The abattoir shall be liable to collect such levy from the owner and   | R7.81 per<br>head                      | R8.59 per<br>head                      | R9.45 per<br>head                      | R10.40 per<br>head                     |

|  |                                |                                  |                                    |                                    |
|--|--------------------------------|----------------------------------|------------------------------------|------------------------------------|
| pay it over to the Levy Administrator  |                                |                                  |                                    |                                    |
| Payable by each meat trader outlet to the Levy Administrator   | R495 per year                  | R545 per year                    | R599 per head                      | R659 per head                      |
| Payable by the importer to the Levy Administrator prior to issuing of an import permit. The levy receipt number is submitted with the import permit application to the issuing officer | R871 per container/consignment | R958 per container / consignment | R1 054 per container / consignment | R1 160 per container / consignment |
| Payable by the exporter to the Levy Administrator  | R7.81 per head exported        | R 8.59 per head exported         | R9.45 per head exported            | R10.40 per head exported           |
| Payable by the livestock agent to the Levy Administrator   | 0.077% of the commission       | 0.085% of the commission         | 0.093% of the commission           | 0.102% of the commission           |
| Payable by the processor for every hide locally produced to the Levy Administrator. Payable by the exporter for every unprocessed hide exported to the Levy Administrator              | 1.51c per kg                   | 1.66c per kg                     | 1.82c per kg                       | 2.01c per kg                       |

| <b>Sheep and Goats</b>  | From 5 Nov 2014 until 4 Nov 2015 | From 5 Nov 2015 until 4 Nov 2016 | From 5 Nov 2016 until 4 Nov 2017   | From 5 Nov 2017 until 4 Nov 2018   |
|---|----------------------------------|----------------------------------|------------------------------------|------------------------------------|
| Deducted and retained from the selling price of each animal by any buyer of such animal. In the event of an animal not reaching the place of slaughter the levy shall be payable by the buyer to the Levy Administrator | R1.00 per head                   | R1.11 per head                   | R1.22 per head                     | R1.34 per head                     |
| Payable by the owner at slaughter, to the abattoir who slaughters such animal. The abattoir shall be liable to collect such levy from the owner and pay it over to the Levy Administrator                               | R1.52 per head                   | R1.67 per head                   | R1.84 per head                     | R2.02 per head                     |
| Payable by each meat trader outlet to the Levy Administrator  | R495 per year                    | R545 per year                    | R599 per year                      | R659 per year                      |
| Payable by the importer to the Levy Administrator prior to issuing of an import permit. The levy receipt number is submitted with the import permit application to the issuing officer                                  | R871 per container / consignment | R958 per container / consignment | R1 054 per container / consignment | R1 160 per container / consignment |
| Payable by the exporter to the Levy Administrator   | R1.52 per head                   | R1.67 per head                   | R1.84 per head                     | R2.02 per head                     |
| Payable by the livestock agent to the Levy Administrator  | 0.077% of the commission         | 0.085% of the commission         | 0.093% of the commission           | 0.102% of the commission           |
| Payable by the processor for every skin locally produced to the Levy Administrator. Payable by the exporter for every unprocessed skin exported to the Levy Administrator   | 1.51c per kg                     | 1.66c per kg                     | 1.82c per kg                       | 2.01c per kg                       |

| <b>Processors</b>  | From 5 Nov 2014 until 4 Nov 2015 | From 5 Nov 2015 until 4 Nov 2016 | From 5 Nov 2016 until 4 Nov 2017 | From 5 Nov 2017 until 4 Nov 2018 |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| For red meat and processed pork purchased by registered processors for processing to be paid to the Levy Administrator | 1.51c per kg                     | 1.66c per kg                     | 1.82c per kg                     | 2.01c per kg                     |

## Notes:

- The amount payable by each meat trader outlet relates to each outlet *per se*, and is not applicable per meat trader outlet per specie.
- A 3% collection fee can be deducted from the collected levies by the abattoir before the levies are paid over to the Levy Administrator.
- Every import permit issued will attract a minimum of R871 (per container for the first year) statutory levy charge payable by the applicant. Where an import permit is issued for more than one container or load per consignment then each individual containers or load per consignment up to a maximum of 28mt will attract the R871 statutory levy charge payable by the applicant. Where a master import permit is issued the R871 statutory levy (for the first year) will be payable by the applicant for every multiple of 25mt.

Exclusion: Where an import permit is issued for the importation of samples, where the quantity to be imported is less than 200kg, then the statutory levy shall be waived for that import permit.

The estimated income from the proposed levies is between R32,0 million (for 2014/15) and R42,7 million per annum (for 2017/18). The proposed statutory levies will finance the following functions, namely –

- Consumer assurance;
- Consumer communication and education;
- Transformation and development;
- Research and development;
- Industry liaison;
- Production development;
- Compliance to legislation; and
- Administration.

The MAP Act stipulates that a statutory levy may not exceed 5% of the price released for a specific agricultural product at the first point of sale. The maximum of 5% must be based on a guideline price calculated as the average price at the first point of sale over a period not exceeding three years. The RMIF calculated the guideline price for cattle at R7 500 per head and the proposed levy of R7.81 per head from 5 November 2014, until 4 November 2015 equates to 0.1% of the guideline price. For sheep the guideline price was calculated at R927 per head and the proposed levy is R1.52 per head for the first year equates to 0.16% of the guideline price. Both the proposed statutory levies for cattle and sheep/goats of 0.1% and 0.16% of the guideline prices respectively, are well within the requirement of 5% as stipulated in the MAP Act.

The RMIF decided that the proposed statutory levies will be a proportional transaction based levy to ensure that all directly affected groups in the red meat value chain are making a contribution.

The purpose of the statutory measure relating to registration is to compel all relevant role players in the red meat industry to register with the Levy Administrator. The purpose of the statutory measure relating to records and returns is to compel all relevant role-players in the red meat industry to render records and returns to the Levy Administrator. By prescribing the keeping of records with the rendering of returns on an individual basis, market information for the whole of the industry can be processed and published. These statutory measures are necessary to ensure that continuous, timeous and accurate information relating to the designated animals slaughtered and their products, is available to all role-players. Market information is deemed essential for all role-players in order for them to make informed decisions.

The National Agricultural Marketing Council (NAMC) took cognisance that the proposed continuation of the statutory measures relating to levies, registration, the keeping of records and the rendering of returns in the red meat industry as requested by RMIF, is consistent with the objectives of the MAP Act. The request is currently being investigated by the NAMC and recommendations in this regard will be made to the Minister in the near future.

Directly affected groups in the red meat industry are kindly requested to submit any comments, regarding the proposed statutory measures, to the NAMC on or before 6 June 2014, to enable the Council to finalise its recommendation to the Minister in this regard.

**Submissions should be in writing and be addressed to:**

**National Agricultural Marketing Council**

**Private Bag X 935**

**PRETORIA**

**0001**

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