

NATIONAL FEDERATION OF MEAT TRADERS

*Private Bag X3060
Randburg
2125
Tel : 011 646 0290
Fax : 011 646 3566*

BUSINESS PLAN FOR THE UTILIZATION OF LEVY FUNDING BY THE NATIONAL FEDERATION OF MEAT TRADERS

JULY 2010

1. **BACKGROUND**

The Minister of Agriculture introduced a proportional levy on the Meat Industry in terms of the Marketing of Agricultural Products Act (Act No. 47 of 1996) for a second term and this levy term will terminate in November 2010. It is the intention of the representative roleplayers in the Meat Industry represented by the Meat Industry Forum to apply for the re-introduction of the levy for a further period.

The National Federation of Meat Traders (the Federation) did not apply for any funding from the first levy that was introduced but did apply and receive funding from the levy income for the second period of the levy. These funds have been utilized as per the business plan submitted to the Forum.

2. **APPLICATION TO THE MEAT INDUSTRY FORUM TO RECEIVE FUNDING TO SERVICE SPECIFIC FUNCTIONS FOR MEAT TRADERS**

2.1 **Liaison**

The Federation is a nationally organized body of meat traders in South Africa. As a Federation, it has regional organizations which are affiliated to the Federation. These affiliated organizations vary in size and effectiveness and the major challenge facing the Federation is to communicate and disseminate information to members. Liaison is done through written format, electronic format and communication at regional and local meetings. Membership of affiliated organizations is open to all meat traders and a large percentage of the membership, are members from the previously disadvantaged sector. The Federation intends to utilize levy funding to supplement the cost of this function.

2.2 **Assistance to Regional Organisations affiliated to the National Federation of Meat Traders**

The bulk of the affiliated organizations are small and even micro business undertakings which undertakings lack the resources to arrange and facilitate meetings and communication with these members. The Federation will utilize certain of the funding to improve the capacity and to assist regional organizations in fulfilling this service to members.

2.3 **Travel Assistance**

Due to the high cost of travel, certain of the office bearers at regional organizations and the Federation find it difficult to attend meetings and it is proposed that where necessary, these members and office bearers be assisted financially in this regard.

2.4 **Training of Labour**

Prior to the promulgation of the Skills Development Act, the Meat Industry had a training scheme which facilitated in the training of labour in the handling and preparation of retail meat cuts. The Meat Trade has been unable to consolidate and introduce any form of training since the introduction of the Skills Development Act for reasons that are not germane to this business plan and as such, a critical shortage of skilled labour exists in the trade. It is the intension of the NFMT to re-introduce training outside the preview of the Skills Development Act and certain of the levy funding will be used to facilitate this section for the benefit of all roleplayers and with particularly reference to the advancement of skills of employees from the previously disadvantage sector.

It is quite obvious that the funds required for the effective training of staff at the distributive level of the Meat Trade would be considerable and employers who wish to have staff trained, would have to contribute financially to this cost. Levy funding would be used to facilitate the setup and monitoring of the training facility which would be funded on a user pay basis and it is hoped that one day, the Trade will be able to benefit from funds that it has contributed to the Skills Development Act to fund this function.

As a result of the Forum allocating funds to the Federation to implement effective basic training of staff at the distributive level of the Meat Trade, we are pleased to report that a training facility has been established and has trained personnel to a level of a Grade II, Meat Cutting Technician.

The cost of implementation of the training scheme has been covered by the contribution from levy funding as well as by contributions by employers who are members of the affiliated Associations who pay a contribution on behalf of the employee being trained. The NAMC has received a detailed report on the Federation's training facility and have indicated the satisfaction that the levy funds have been effectively expended.

3. **BUDGETTING**

It is estimated that a minimum of R564.000.00 will be required from the levy administration for the implementation of the services detailed above and this will be expended as follows:-

3.1 **Training**

	<u>p.a.</u>
Training Facilitators	R232 000.00
Rental of Facilities equipped & Material	R132 000.00
	<u>R364 000.00</u>

3.2 **Liaison**

Dissemination of Information and related matters to Members	<u>R84 500.00</u>
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3.3 **Assistance to Affiliated Associations**

Meeting expenses and Administrative Back-up	<u>R84 500.00</u>
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3.4 S.T. for Attendance at Meetings	<u>R117 000.00</u>
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Should more than R564 000.00 be available from the Trade's Levy contribution, then this amount will be allocated to increase the training facility.

4. **Conclusion**

The Federation undertakes that all funds received with respect to the above applications, will be held in separate accounts and that all funds will be expended in terms of this application.

Yours faithfully,

EMP BIELOVICH
Chairperson