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## GENERAL NOTICES

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### NOTICE 68 OF 2010



National Agricultural  
Marketing Council

Strategic positioning of South African Agriculture  
in dynamic global markets

## GENERAL NOTICE – 5 FEBRUARY 2010

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### SUBTROPICAL FRUIT INDUSTRY

#### APPLICATION FOR STATUTORY MEASURES

#### ON FRESH MANGOES INTENDED FOR PROCESSING

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### **REQUESTING COMMENTS / INPUTS FROM THE INDUSTRY**

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The Minister of Agriculture, Forestry and Fisheries received a request from the South African Mango Growers' Association (SAMGA) for the implementation of statutory measures (registration, records & returns and levies) on fresh mangoes intended for the processing market, that includes achar, juice, dried mangoes and mangoes for fruit salads, in terms of section 10 and 11 of the Marketing of Agricultural Products Act (MAP Act), Act No. 47 of 1996.

If approved, the levy will be utilised for the funding and provision of:

- Research projects, information and technology transfer;
- Transformation within the mango industry;
- Plant improvement;
- Information and market statistics; and
- Market development

The South African Subtropical growers association (Subtrop) manages the affairs of SAMGA. Subtrop (being the manager of SAMGA affairs) is currently responsible for the co-ordination and provision of all services and functions in the mango industry. Subtrop will also be responsible for the implementation, inspection and enforcement of the proposed statutory measures. Subtrop undertakes to provide and create the required capacity in terms of the business

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**Statutory measures application: mangoes**

-2-

plans within itself or the bodies indicated above to deal with the requirements of the MAP Act and the Auditor-General.

If approved, levies will be payable at the first point of sale (either achar, juice or dried fruit factories), and these processors will be responsible for collecting levies, and paying these levies to SAMGA.

Currently, a voluntary levy is applicable in the mango industry. Until the 2002/2003 season, SAMGA experienced a relative successful period of levy collection. According to SAMGA the following factors have led to the application:

- the volume of mangoes exported dropped from 26% in 2002 to 3% in 2009 (indicated as a percentage of the total volume of fruit produced). The levy on exports was the main stream of income;
- the long-term nature of most activities with no (perceived) direct return on investment;
- continued financial pressure on production level; and
- inability to isolate free riders from industry generated benefits.

If approved, the proposed statutory measures will be applicable for a four year period, effective from date of implementation.

The NAMC believes that the proposed statutory measures requested are consistent with the objectives of the MAP Act (as set out in section 2 of the Act).

Directly affected groups (e.g. producers, exporters and export inspection bodies) in the subtropical industry are kindly requested to submit any comments, in writing, regarding the proposed statutory measures, to the NAMC on or before 19 February 2010, to enable the Council to finalise its recommendation to the Minister in this regard.

**ENQUIRIES:**

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