

No. R. 809

5 August 2005

MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996
(ACT No. 47 OF 1996)

ESTABLISHMENT OF STATUTORY MEASURE:

LEVY ON CATTLE, SHEEP, GOATS, PIGS AND ITS PRODUCTS

I, Angela Thokozile Didiza, Minister of Agriculture, acting under sections 13 and 15 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), as amended, hereby establish the statutory measure set out in the Schedule.



A.T. DIDIZA,

Minister of Agriculture.

03-08-2005

SCHEDULE

Definitions

1. In this Schedule any word or expression to which a meaning has been assigned in the Act shall have that meaning, and unless the context otherwise indicates –

“**abattoir**” means any place where a designated animal is slaughtered for any intended use other than own non-commercial use;

“**designated animal**” for purposes of this notice, means cattle, goats, pigs and sheep;

“**head**” means one designated animal;

“**hides and skins**” means the hides and skins of designated animals;

“**livestock agent**” means any person acting as such, whether the risk of ownership of designated animals pass to him or not;

“**levy administrator**” means the levy administrator as defined in the Levy Notice;

“**red meat**” means the meat of designated animals:

“**meat product**” means any red meat, processed and manufactured red meat product intended for human consumption;

“**meat retail outlet**” means any outlet where red meat is sold, whether operated independently or as part of a group or chain of meat outlets;

“**meat processor**” means any person (inclusive of establishment and/or institution) that enhances red meat further than deboning and portioning, dicing or mincing for commercial purposes;

“**the Act**” means the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), as amended.

Purpose and aim of statutory measure and the relation thereof to the objectives of the Act

2. The red meat industry is the single largest agricultural sector in South Africa. As such there are a variety of functions that have been identified as crucial to the future development and sustainability of the sector for which a levy is a necessity. These functions are:

- (a) Consumer Assurance
- (b) Consumer Communication and Education
- (c) Development of Developing Sector
- (d) Research and Development
- (e) Industry Liason
- (f) Industry Projects
- (g) Production Development

The levy is not detrimental to any of the objectives of the Act, and in particular will not be detrimental to the number of employment opportunities or fair labour practice in the red meat industry.

The statutory measure will be administered by the levy administrator, who will act in terms of the mandate and on behalf of the red meat industry through its representative organ, namely the Red Meat Industry Forum.

The statutory measure is necessary to finance the above-mentioned functions and the levy will be utilized in accordance with the levy application submitted to the Minister. The Auditor-General will also be responsible to audit the statutory levies collected.

The actual beneficiaries of the levy will be determined by the Red Meat Industry Forum in accordance with the approved business plan and budget for the purposes set out above.

3. Products to which statutory measure applies

This statutory measure shall apply to all designated animals and products from these animals as well as any red meat products imported into the Republic of South Africa.

4. Area in which measure shall apply

This measure shall apply in the geographical area of the Republic of South Africa.

5. Imposition of levy

A levy is hereby imposed on each category of designated animal and product as follows:

a. Beef

	Levy	Description
i	R 3.00 per head	Deducted and retained from the selling price of each animal by any buyer of such animal
ii	R 5.00 per head	Deducted by the abattoir at slaughter from the person presenting such animal for slaughter and paid over to the levy administrator
iii	R 300 per year	Payable by each meat retail outlet and paid over to the levy administrator
iv	R 0.03 per kg	Payable by the importer of beef products at point of entry and paid over to the levy administrator
v	R 5.00 per head	Payable by the exporter of live animals at the point of exit and paid over to the levy administrator
vi	0.07% of the commission	Payable by the livestock agent per head sold and paid over to the levy administrator
vii	R 0.01 per kg	Payable by the processor of locally produced hides and paid over to the levy administrator. The same amount will also be collected for every unprocessed hide exported, paid by the exporter to the levy administrator

b. Sheep and goats

	Levy	Description
i	R 0.50 per head	Deducted and retained from the selling price of each animal by any buyer of such animal
ii	R 0.75 per head	Deducted by the abattoir at slaughter from the person presenting such animal for slaughter and paid over to the levy administrator

iii	R 300 per year	Payable by each meat retail outlet and paid over to the levy administrator
iv	R 0.03 per kg	Payable by the importer of sheep and goat meat products at point of entry and paid over to the levy administrator
v	R 0.75 per head	Payable by the exporter of live animals at the point of exit and paid over to the levy administrator
vi	0.07% of the commission	Payable by the livestock agent per head sold and paid over to the levy administrator
vii	R 0.01 per kg	Payable by the processor of locally produced skins and paid over to the levy administrator. The same amount will also be collected for every unprocessed skin exported, paid by the exporter to the levy administrator

		Description
i	R 5.20 per head	Deducted by the abattoir at slaughter from the person presenting such animal for slaughter and paid over to the levy administrator
ii	R 300 per year	Payable by each meat retail outlet and paid over to the levy administrator
iii	R 0.03 per kg	Payable by the importer of pork meat products at point of entry and paid over to the levy administrator
iv	R 5.20 per head	Payable by the exporter of live animals at the point of exit and paid over to the levy administrator
v	0.07% of the commission	Payable by the livestock agent per head sold and paid over to the levy administrator
vi	R 0.01 per kg	Payable by registered processors for pig carcasses purchased for processing, and paid over to the levy administrator

Note: Meat retailers pay **R300** per outlet irrespective if they sell one specie or all three species.

Persons by whom and to whom levy shall be payable

6. The levy imposed under clause 5 shall be payable by the persons set out in that clause to the levy administrator or **his** designated agent within the period set out in clause 8.

Guideline prices

7. The guideline prices for the different designated animals and its products will be as follows:

a. Cattle

<u>Category</u>	<u>Guideline price</u>
i. Cattle	R 2 762 per head
ii. Carcass price	Average price = R 13/kg
iii. Meat imported	Average price = R 7/kg
iv. Cattle exported live	R 2 762 per head
v. Hides	R 9/kg

b. Sheep and goats

<u>Category</u>	<u>Guideline price</u>
i. Sheep and goats	R 280 per head
ii. Carcass price	Average price = R 5/kg
iii. Meat imported	Average price = R 5/kg
iv. Sheep and goats exported live	R280 per head
v. Skins	R9 /kg

c. Pigs

<u>Category</u>	<u>Guideline price</u>
i. Pigs	R 560 per head
ii. Carcass price	Average price = R 10/kg
iii. Meat imported	Average price = R 10/kg
iv. Pigs exported live	R 560 per head

Payment of levy

8. (1) A levy imposed in terms of this notice shall be paid to the levy administrator:
- a. In the case of an event referred to in clause 5(a) ii, iv, v, vi and vii, 5(b) ii, iv, v, vi and vii and 5(c) i, iii, iv, v and vi, within 14 days of any event taking place; and
 - b. In the case of an event referred to in clause 5(a)iii, 5(b)iii and 5(c) ii, on or before the last day of March in each calendar year.
- (2) Payment shall be made by means of a cheque or electronic bank transfer in favour of the levy administrator, and shall –
- (a) When paid by cheque, be addressed to –

The Levy Administrator
P.O. Box 36802
Menlo Park
0102
 - (b) When electronically transferred, be paid to the account number obtainable from the levy administrator.

Use of levy

9. The Minister approve that –
- a. at least 70% of the levy funds should be used for the core business
 - b. not more than 10% for administrative use; and
 - c. approximately 20% be allocated towards transformation.

Commencement and period of validity

10. This statutory measure shall come into operation 90 days after the date of publication hereof and lapse ~~two~~ years later.