

NOTICE 297 OF 2006

NATIONAL AGRICULTURAL MARKETING COUNCIL

MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996

(ACT No. 47 OF 1996)

REQUEST FOR **THE** CONTINUATION OF STATUTORY MEASURES ELATED
TO REGISTRATION AND PROVISION OF RECORDS AND RETURNS FOR
COTTON, IN **TERMS** OF THE **MARKETING** OF AGRICULTURAL **PRODUCTS**
ACT, 1996 (ACT NO 47 OF 1996), AS AMENDED

It is hereby made known in terms of section 11 of the **Marketing** of Agricultural Products Act, 1996 (Act No. 47 of 1996), that the Minister of Agriculture has received a request for a statutory measure in terms of section 10 of the said Act **as** set out in the Schedule hereto.

Directly affected groups are hereby invited to lodge any objection or representation regarding the proposed statutory measure with the National Agricultural Marketing Council within **14** days of the publication thereof

Submissions should be in writing and be addressed to:

The Chairperson
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CEO: NATIONAL AGRICULTURAL MARKETING COUNCIL

REQUEST FOR THE CONTINUATION OF STATUTORY MEASURES RELATED TO
REGISTRATION AND PROVISION OF RECORDS AND RETURNS FOR COTTON, IN
TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996 (ACT NO
47 OF 1996), AS AMENDED

1. STATUTORY MEASURES – REGISTRATION, RECORDS AND RETURNS

The request received from Cotton South Africa, is that the Minister, in terms of section 10 of the Act, by notice in the Government Gazette, direct that the statutory measures, namely the keeping of records and the submission of returns to Cotton South Africa, by persons who purchase seed cotton from producers and who purchase lint from producers and ginners, processors of seed cotton and importers and exporters of cotton, and the registration with Cotton South Africa of persons who produce seed cotton, persons who purchase seed cotton from producers and who purchase lint from producers or ginners, processors of seed cotton and importers and exporters of cotton, be continued.

2. INFORMATION REQUIRED BY SECTION 10 OF THE ACT

The particulars as required by section 10 of the Act to be included in a request for the continuation of statutory measures, are as follows:

- 2.1 The statutory measures that are requested to be continued, would relate to cotton.
- 2.2 The categories of directly affected groups which would probably be affected by the proposed continuation of the statutory measures, are:

Registration:

Persons who produce seed cotton, persons who purchase seed cotton from producers and who purchase lint from producers or ginners, processors of seed cotton and importers and exporters of cotton.

Records and returns:

Persons who purchase seed cotton from producers and who purchase lint from producers or ginners, processors of seed cotton and importers and exporters of cotton.

- 2.3 Letters of support for the proposed continuation of the statutory measures on cotton were received from the following institutions:
- National Cotton Producers' Organisation (NACPO);
 - SA Cotton Ginners' Association (SACGA);
 - SA National Consumer Union (SANCU); and
 - SA Clothing and Textile Workers Union (SACTWU).
- 2.4 The statutory measures will apply to the whole of the Republic of South Africa.

- 2.5 According to the applicant, the proposed continuation of the statutory measures will further the objectives of the Act as stipulated in section 2(2) thereof. Such continuation will also not contravene section 2(3) of the Act.
- 2.6 The manner in which the objectives referred to in section 2(2) of the Act will be furthered (namely the increasing of market access for all market participants, the promotion of the efficiency of the marketing of agricultural products, the optimisation of export earnings from agricultural products and the enhancement of the viability of the agricultural sector), are summarised below:

Since deregulation of the agricultural industry, great value is being placed on product market information, which is no longer as readily available and accessible as before. In this environment, Cotton South Africa has since 1998 established itself as the major local source of cotton market information, in that many role-players in the cotton industry have become dependent on the information services provided by Cotton South Africa, which is regarded as critical for strategic planning by the industry.

Unbiased and reliable market information, which is available on a continuous and timeous manner, will not only increase market access for all market participants, but also will also promote the efficiency of the marketing of cotton and enhance the viability of the cotton industry and the agricultural sector at large. Market information will furthermore lead to the optimisation of export earnings without being detrimental to the number of employment opportunities or fair labour practice.

The market information obtained up to now by way of these statutory measures has also proved to be invaluable to Cotton South Africa in its capacity as industry forum, as well as in the advancement of its main objectives such as the stimulation of the production and the usage of cotton; the enhancement of the marketability of cotton through research; the establishment of quality standards and norms and the facilitation of the development of the emerging cotton production sector.

Since deregulation, relevant market information obtained by way of statutory measures and other means has been disseminated among others, in the following manner:

- By way of monthly market reports on both the local as well as the international situation, posted and/or e-mailed monthly to more than 1100 core producers, which includes more than 400 small scale farmers, as well as to more than a 150 other roleplayers in the industry as well as to the media.
- By way of Cotton South Africa's website which records on average 4000 user sessions per month. The website has recently been upgraded to include more information and to make it more user friendly.
- By convening farmer information days. During 2005, 7 farmer days were hosted in different localities, which were attended by close to 400 farmers in total. One of these farmer days were aimed at the emerging sector exclusively and more than 200 small scale farmers attended these days, where relevant and useful information could be communicated to them.

- By way of publications such as the quarterly Cotton South Africa magazine, which since the July/August 2000 issue also incorporates the research publication "On the Boll" of the ARC's Institute for Industrial crops, providing feedback on research projects, as well as a regular section aimed at small scale farmers exclusively. The magazine is currently mailed to about 2100 farmers, which include about 500 small scale farmers, as well as to more than 600 other subscribers.
- By way of other means such as articles in various agricultural magazines as well as publications aimed at the small grower in particular, such as the monthly newspaper "Nufarmer" with a circulation figure of about 35 000 per month.
- A comprehensive Management Guide for Commercial Farmers as well as a Cotton Guide for Small Scale Farmers are also made available by Cotton South Africa to current and potential cotton farmers. The commercial farmer guide is in the process of being updated and reprinted whilst the small farmer publication has recently been revised and upgraded. This latter guide is fully illustrated in colour with captions in English and Zulu and covers the full spectrum of cotton farming and contain among others, chapters on cultivation guidelines, insect and disease control and the harvesting of cotton. Translations of the guide in Afrikaans and Sotho are also envisaged for the future.
- From time to time, Cotton South Africa also takes part in shows, exhibitions and expo's where market information is disseminated.
- By way of personal contact, ad hoc requests and international surveys.
- Information on various cotton matters are also being made available by way of the following publications which are obtainable from Cotton SA:
 - o Core Cotton Statistics Booklet
 - o Educational brochures (for schoolchildren and students)
 - o Organisation Information Brochures
 - o Small Farmer Weed Identification Guide
 - o Scouting guide for Cotton Pests
 - o Cleaner Cotton Production Guide
 - o Integrated Pest Management CD
 - o Organic Cotton CD
 - o Video on Cotton Picking Techniques

In conclusion, in the yam manufacturing industry, increased processing speeds, new spinning technologies and heightened quality expectations, have changed the industry's focus and buying strategy of raw materials, hence the fact that up to date crop information is now more critical than ever before. Fibre utilisation decisions taken by the ginning and spinning industries, therefore have a more direct impact on the primary cotton producing industry, be it emerging or commercial farmers. These farmers are totally dependent on proper and accurate market information to assist them to conform to the strict requirements set by the spinning industry with regard to their raw material inputs.

The statutory measures will not be detrimental to the number of employment opportunities within the economy or to fair labour practise.

2.7 The previous statutory measures as published in Government Gazette No. **R. 908** and R. 909 of 12 July 2002 lapse on **31 March 2006**.

- 2.8** The *status quo* will be maintained in respect of the body that are responsible for the administration of the statutory measures and mentioned in the regulations, namely Cotton South Africa (a non profit seeking company under section 21 of the Companies Act, 1973 (Act No **61 of 1973**)).