



National Agricultural Marketing Council

Strategic positioning of South African Agriculture
in dynamic global markets

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NOTICE 1016 OF 2007

INVITATION TO COMMENT ON THE APPLICATION RECEIVED FOR THE INCREASE OF STATUTORY LEVIES IN THE WINE INDUSTRY

The Minister of Agriculture received a request from the SA Wine Industry Council (SAWIC) for the increase of the statutory levies in the wine industry in terms of the Marketing of Agricultural Products Act (MAP Act), Act No. 47 of 1996.

The SAWIC (previously the SA Wine and Brandy Company), a Section 21 Company, was established in 2003 and consist of the following constituencies, namely wine grape growers, wineries, merchants, emerging farmers, labour and civil society.

The following statutory measures are currently in place and will expire 31 October 2009:

- Registration,
- Records & Returns, and
- Levies

When the industry applied in 2005 for the implementation of the current statutory levies, the industry requested that the current levy amounts be indexed to make provision for inflation. The 2005 wine levies were however, approved without an provision for an annual inflation increase. In order for SAWIC to finance important functions in the wine industry, they requested ministerial approval that wine levies be increased as follows:

- Research and development Levy (increase of 10%),
- Wine export generic promotion levy (increase of 9.6%), and
- Information levy (increase of 19%).

The requested amendments (to expire with the rest of the statutory measures, on 31 October 2009) are as follows:

	Research levy	Information levy	Export levy
• Grapes intended for the production of wine	R12.46/ton (currently R11.34/ton)	R8.75/ton (currently R7.35/ton)	-
• Grape juice concentrate @ 17.4 degrees balling	1.78 c/litre (currently 1.62c/litre)	1.25 c/litre (currently 1.05c/litre)	-
• Distilling wine or wine spirit	1.54 c/litre (currently 1.4 c/litre)	-	-
• Bulk drinking wine	1.78 c/litre (currently 1.62c/litre)	1.25 c/litre (currently 1.05 c/litre)	6.39 c/litre (currently 5.83 c/l)
• Otherwise packaged drinking wine	-	-	8.77 c/litre (currently 8.0c/litre)

The statutory levies on wine, in terms of section 15 of the MAP Act, are used to finance the following:

- Research and development levy (Research levy) (to co-ordinate and fund research and development, training and technology transfer in the wine industry).
- Wine export generic promotion levy (Export levy) (to generically promote SA wines on selected export markets and to improve the efficiency of the export process).
- Information levy (to fund the continued implementation, administration and enforcement of the statutory measure relating to registration and records and returns and the processing, auditing, verification and dissemination of information. This levy will also be used for the continued running of the wine industry library).

Directly affected groups in the wine industry are kindly requested to submit any comments, in writing, regarding the proposed increase of statutory levies, to the NAMC on or before 7 September 2007, to enable the Council to finalise its recommendation to the Minister in this regard.

ENQUIRIES:

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