
GOVERNMENT NOTICES
GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF AGRICULTURE
DEPARTEMENT VAN LANDBOU

No. R. 1030

29 October 2007

MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996

(ACT NO. 47 OF 1996)

**ESTABLISHMENT OF STATUTORY MEASURE AND DETERMINATION OF GUIDELINE
PRICES: LEVY ON CATTLE, SHEEP, GOATS, MEAT PRODUCTS, HIDES AND SKINS**

I, Lulama Xingwana, Minister of Agriculture, acting under sections 10, 13, 14 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 attached Schedule.

LULAMA XINGWANA

Minister of Agriculture

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 a slaughter facility as defined in section 1 of the Meat Safety Act 40 of 2000, save for those facilities that have been excluded by the Levy Administrator after application to the Levy Administrator as provided for in the registration notice, and where used in context of an obligation placed on an “abattoir” in these Regulations, refers to the owner of the slaughter facility.

“designated animals” for purposes of these Regulations, means cattle, sheep, and goats.

“head” means one designated animal irrespective of its age, size or weight or whether it is sold together with another animal, animals or offspring.

“livestock agent” means any person who acts as the agent of the buyer or seller of designated animals, whether the risk of ownership of such designated animals has passed to such person or not.

“levy administrator” means the juristic person entrusted with the implementation, administration and enforcement of the statutory measure established in these Regulations, and identified in regulation 8 of the Schedule.

“red meat” means a slaughtered and skinned designated animal which has not undergone any processing other than deboning, portioning, dicing, mincing, cooling or freezing.

“red meat products” means any products derived from the processing of red meat, with or without the addition of other meat or food products.

“meat trader” means any person selling red meat or red meat products, whether operating independently or as part of a group or chain, and irrespective of whether such sale takes place through wholesale or retail outlets, but excluding a person who sells red meat, red meat products, or processed pork exclusively as part of that person's restaurant business or similar culinary trade.

“meat processor” means any person who conducts a business that involves producing red meat products or processed pork for commercial gain.

“owner” for the purposes of regulation 5 of these Regulations means, in relation to any designated animal:

- (a) the person liable to pay the price charged by the abattoir in connection with the slaughter of that animal; or
- (b) the person on who's behalf the designated animal is delivered for slaughter, in the event that no price is charged by the abattoir in connection with the slaughter of the designated animal; or
- (c) The abattoir, if the abattoir was the last person to own or acquire the designated animal prior to the slaughter of such animal.

“person” includes natural and juristic persons, partnerships, trusts, voluntary associations, co-operatives and any other bodies, institutions or establishments, whether incorporated or not.

“processed pork” means the meat of pigs that has been altered, other than cutting and portioning, dicing and mincing such meat, to enhance the said meat.

“processing” in relation to red meat, means altering the meat, other than cutting and portioning, dicing and mincing such meat, to enhance the meat, and "process" and "processes" shall have a corresponding meaning;

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

“year” for the purposes of regulation 5 of these Regulations, means the period from the first day of April of any year until the last day of March in the following year.

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) Transformation and Development
- (d) Research and Development
- (e) Industry Liaison
- (f) 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 granted to it by the Red Meat Industry Forum, being the representative organ of the red meat industry

This 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 its approved business plan and budget for the purposes set out above.

Products to which statutory measure applies

3. This statutory measure shall apply to all designated animals, to hides and skins from these animals, to red meat and to red meat products as well as:
 - (a) all designated animals, red meat and red meat products imported into the Republic of South Africa; and
 - (b) designated animals exported live from the Republic of South Africa; and
 - (c) processed pork.

Area in which measure shall apply

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

Imposition of levy

5. The following levies (VAT excluded) are hereby imposed in respect of designated animals, red meat, red meat products, processed pork, hides and skins:

(a) Cattle:

Levy	Description
i R3,00 per head	Deducted and retained from the selling price of each designated animal by the buyer of such animal. Provided that, in the event that the said buyer disposes of such animal other than by sale, export, or delivery to an abattoir for slaughter, or if such animal dies or is stolen before the said buyer disposes of it, the buyer shall pay the levy thus deducted and retained over to the levy administrator. For avoidance of doubt, the buyer is only intended to retain the levy thus deducted where the relevant designated animal is sold, exported or delivered to an abattoir for slaughter
ii R5,00 per head	Payable by the owner at slaughter, to the abattoir, who shall collect such levies and pay them over to the levy administrator. Where the abattoir is the owner, the abattoir shall make payment directly to the levy administrator.
iii R300 per year or part thereof during which the meat trader sells red meat, processed pork or red meat products	Payable by each meat trader to the levy administrator, in respect of each outlet through which that meat trader sells red meat, red meat products or processed pork.

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| iv | R0,03 per Kg of imported red meat and red meat products of cattle | Payable by the importer of the said red meat and red meat products, to the levy administrator, at the point of entry into the Republic of South Africa. |
| v | R5,00 per head exported live from the Republic of South Africa | Payable to the levy administrator by the exporter at the point of exit. |
| vi | 0,07 % of commission on the sale of designated animals | Payable by a livestock agent to the levy administrator, calculated on the commission collected by that agent in respect of the sale of designated animals. |
| vii | R0,01 per Kg of hides produced locally | Payable by the processor of the hide to the levy administrator. R0,01 per Kg will also be collected for every unprocessed hide exported, paid by the exporter to the levy administrator. |

(b) Sheep and Goats:

Levy	Description
i R0,50 per head	Deducted and retained from the selling price of each designated animal by the buyer of such animal. Provided that, in the event that the said buyer disposes of such animal other than by sale, export, or delivery to an abattoir for slaughter, or if such animal dies or is stolen before the said buyer disposes of it, the buyer shall pay the levy thus deducted and retained over to the levy administrator. For avoidance of doubt, the buyer is only intended to permanently retain the levy thus deducted where the relevant designated animal is sold, exported or delivered to an abattoir for slaughter

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| ii | R0.75 per head | Payable by the owner at slaughter, to the abattoir, who shall collect such levies and pay them over to the levy administrator. Where the abattoir is the owner, the abattoir shall make payment directly to the levy administrator. |
| iii | R300 per year or part thereof during which the meat trader sells red meat, processed pork or red meat products | Payable by each meat trader to the levy administrator, in respect of each outlet through which that meat trader sells red meat, red meat products or processed pork. |
| iv | R0,03 per Kg of imported red meat and red meat products of sheep | Payable by the importer of the said red meat and red meat products, to the levy administrator, at the point of entry into the Republic of South Africa. |
| v | R0,75 per head exported live from the Republic of South Africa | Payable to the levy administrator by the exporter at the point of exit |
| vi | 0,07 % of the commission on the sale of designated animals | Payable by a livestock agent to the levy administrator, calculated on the commission collected by that agent in respect of the sale of designated animals. |
| vii | R0.01 per Kg of skins produced locally | Payable by the processor of the skin to the levy administrator. R0,01 per Kg will also be collected for every unprocessed skin exported, paid by the exporter to the levy administrator. |

(c) Processed meat:

- R0,01 per Kg of red meat, red meat products and pork purchased by meat processors for processing or further processing, to be paid over to the levy administrator by the meat processors.

NOTES:

1. Only one amount of R300 per year is payable by a meat trader in respect of each outlet through which the said meat trader sells red meat, red meat products or processed pork.
2. A 3 % Collection fee may be deducted from the levies collected by the abattoir before the levies are paid over to the levy administrator.

Persons by whom and to whom levy shall be payable

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

Guideline prices

7. The guideline prices for the different designated animals, meat products, red meat products, processed pork, hides and skins will be as follows:

(a) Cattle:

	<u>Category</u>	<u>Guideline price</u>
i.	Cattle	
	Slaughter stock	R4 250 per head
	Weaners	R2 760 per head
ii.	Carcass price	Average price R17.00 / Kg
iii.	Meat imported	Average price R12,00 / Kg
iv.	Cattle exported live	R4 250 per head
v.	Hides	R9 / Kg

(b) Sheep and Goats:

	<u>Category</u>	<u>Guideline price</u>
i.	Sheep and goats	
	Slaughter stock	R550 per head
	Lambs and kids	R400 per head

ii.	Carcass price	Average price R26,00 / Kg
iii.	Meat imported	Average price R10,00 / Kg
iv.	Sheep & goats exported live	R550 per head
v.	Skins	R27 / skin

(c) Processed meat:

<u>Category</u>	<u>Guideline price</u>
Processed meat	Average price R10,00 / Kg

Payment and enforcement of the levy

8. 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 regulation 5 (a) i, 5(b) i and 5 (c), within 14 days of the end of the calendar month within which the purchase, sale or other event, as the case may be, took place.
- (b) In the case of an event referred to in regulation 5 (a) ii and 5(b) ii, within 14 days of the end of the calendar month within which the slaughter took place.
- (c) In the case of the levy referred to in regulation 5 (a) iii or 5(b) iii, on or before the last day of March of the relevant year for which the levy is payable.
- (d) In the case of an event referred to in regulation 5 (a) iv, v and vii, and 5(b) iv, v and vii, within 14 days of the end of the calendar month within which the import or export took place.

8.1 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 address to:

The Levy Administrator

PO Box 36802

Menlo Park

Pretoria

0102

(b) When electronically transferred, be paid to the account number obtainable from the levy administrator.

8.2 Any abattoir as defined in these Regulations may apply to the levy administrator for exemption from the provisions of regulation 5 (a) (ii) or 5 (b) (ii) on the grounds that it is a welfare organisation as defined in terms of section 1 of the Value Added Tax Act, 1991 (Act 89 of 1991).

8.3 The implementation, administration and enforcement of the statutory measure established in this regulation are entrusted to the Meat Statutory Measure Services, a Section 21 Company, established in terms of Section 14 of the Act.

Use of the Levy

9. The Minister approves that-

(a) At least 70 % of the levy funds should be used for the core business activities;

(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 on 5 November 2007 and will lapse after a period of three years.