

No. R. 301

16 April 2010

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

**CONTINUATION OF STATUTORY MEASURE AND DETERMINATION OF
GUIDELINE PRICE: WINE EXPORT GENERIC PROMOTION LEVY ON EXPORT
WINE**

I, Tina Joemat-Pettersson, Minister of Agriculture, Forestry and Fisheries, acting under sections 13 and 15 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), hereby –

- (a) continue the statutory measure set out in the Schedule; and
- (b) determine that the guideline price for export wine shall be 337,99 cents per litre.

T JOEMAT-PETTERSSON,
Minister of Agriculture, Forestry and Fisheries.

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 –

“drinking wine” includes grape juice used in the production of drinking wine and drinking wine used in the production of other alcoholic products;

“export wine” means drinking wine exported from the Republic of South Africa;

“grape juice” means grape juice and grape juice concentrate intended for use in drinking wine or other alcoholic products;

“in bulk” means a container of more than five litres;

“SAWIS” means the South African Wine Industry Information and Systems, a company incorporated under section 21 of the Companies Act, 1973 (Act No. 61 of 1973);

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

“WOSA” means WOSA EXPORT MARKETING, a company incorporated under section 21 of the Companies Act, 1973 (Act No. 61 of 1973), and trading as “WOSA” and “Wines of South Africa”.

Purpose and aims of continuation of statutory measure and the relation thereof to the objectives of the Act

2. (1) The objective of the continuation of the wine export generic promotion levy aims at continuing to increase the profit margin for the industry for each focus market. This promotion will enhance the image of South Africa as a quality wine producer and increase opportunities for growth in new markets. It will assist South Africa to remain competitive in the global market place. In addition, it will assist in capacity building among all

exporters, in particular SMME's and BEE's, and in improving the efficiency of the export process. To last-mentioned end a portion of the levy is used to fund, maintain and further develop the Wine-on-Line system, a free, user friendly, automated export certification process.

- (2) The wine export generic promotion levy will not be detrimental to the number of employment opportunities or fair labour practice.
- (3) The wine export generic promotion levy will be administered by WOSA. WOSA will continue to implement and administer the wine export generic promotion levy.
- (4) The wine export generic promotion levy will be collected by SAWIS, who will act on behalf of WOSA in this regard. WOSA is the actual beneficiary of the levy who will utilise it in accordance with their business plan.

Product to which statutory measure shall apply

3. The wine export generic promotion levy shall apply to export wine.

Area in which statutory measure shall apply

4. The wine export generic promotion levy shall apply in the geographical area of the Republic of South Africa.

Wine export generic promotion levy

5. (1) A wine export generic promotion levy is hereby continued to be imposed on export wine.
 - (2) The amount of the wine export generic promotion levy shall –
 - (a) in the case of export wine in bulk, be 7,60 cent per litre, of which 0,47 cent per litre shall be used to fund, maintain and further develop the Wine-on-Line system; and

- (b) otherwise, be 10,45 cent per litre, of which 0,47 cent per litre shall be used to fund, maintain and further develop the Wine-on-Line system.
- (3) The wine export generic promotion levy shall be paid by the exporter.
- (4) The wine export generic promotion levy shall be payable to SAWIS, acting on behalf of WOSA, in accordance with subclause (5).
- (5)
 - (a) Payment of the wine export generic promotion levy shall be made not later than 60 days following the month of export.
 - (b) Payment shall be made by means of a cheque or electronic transfer in favour of SAWIS, and shall –
 - (i) when paid by cheque, be addressed to –

SAWIS, P.O. Box 238, Paarl, 7620;
 - (ii) when electronically transferred, be paid to the bank account obtainable from SAWIS on request.
- (6) WOSA may, in accordance with criteria determined by WOSA, grant exemption from the payment of the wine export generic promotion levy for a consignment of wine exported if satisfied that such exemption will not frustrate the purpose and aims of this statutory measure.

Remaining levies

6. For the purposes of section 15(5)(a) of the Act, any wine export generic promotion levies collected, administered or kept by WOSA before 1 November 2009, and remaining in the possession or under the control of WOSA after 1 November 2009, may only be utilised by WOSA for the purpose and aims set out in clause 2.

Use of levy

7. The Minister approves that –

(a) at least 70% of the levy funds should be used for the core business e.g. export promotion;

(b) no more than 10% for administrative use; and

(c) approximately 20% be allocated towards transformation.

Period of validity

8. The wine export generic promotion levy shall be implemented on date of publication and lapse on 31 December 2013.