
GENERAL NOTICES

NOTICE 60 OF 2011

APPLICATION FOR THE CONTINUATION OF STATUTORY MEASURES IN THE POTATO INDUSTRY

NAMC REQUESTING COMMENTS / INPUTS FROM ROLE PLAYERS

The Minister of Agriculture, Forestry and Fisheries received a request from Potato South Africa, in terms of the Marketing of Agricultural Products Act (MAP Act), Act No, 47 of 1996, for the continuation of statutory measures (registration, records & returns and levies) in the potato industry.

Currently, the following statutory measures are applicable in the potato industry:

- Registration;
- Records & Returns; and
- Levies.

The current statutory measures will expire on 29 June 2011. It is proposed that the proposed statutory measures be implemented for a new period of four years, with the proposed date of implementation as 30 June 2011.

The purpose and objectives of the statutory measures are as follows:

— **Registration and the furnishing of Records & Returns**

To ensure that continuous, timeous and accurate information is available to all role players. Market information is deemed essential for all role players in order for them to make informed decisions. By combining compulsory registration with the keeping of information and the rendering of returns on an individual basis, market information for the whole of the industry can be processed and disseminated and will form the basis for the collection of levies.

— The payment of the proposed **levy** will finance:

- The establishment of research and development programmes. The future of the local potato industry is largely dependent on the success of its research and development programs. With the necessary funding at its disposal it will be possible to introduce basic, applied and demonstrative research projects that will benefit all role-players in the potato industry.

- The operation of a comprehensive industry information system. The system will provide relevant, timely and strategic information making it possible for all role players to make educated decisions pertaining to the viable production and marketing of potatoes. The information gathered is of national importance, e.g. to determine the size of the potato market and part of the agricultural sector and the growth in the emerging farmer sector.
- The implementation of a transformation program. The program, which primarily concentrates on emerging and small scale farmer development as well as black economic empowerment, has as its ultimate objective the entering of these farmers into the mainstream of potato production. Creating market access for these farmers also forms an integral part of the program. Provision is also made for skills development with special emphasis on farm based training and tertiary skills development which includes awarding bursaries for diploma, undergraduate and post graduate qualifications.
- To expand the South African potato industry by increasing the *per capita* consumption of potatoes in South Africa by way of generic promotions and the development of foreign markets to optimise export earnings. Statutory funding will also allow for improving supply chain efficiency and effectiveness.
- An extension service to all potato producers in the 16 potato production regions. The service e.g. includes improved communication between all role players, rendering technical assistance, assisting in the marketing process and coordinating regional activities.

The proposed levy amounts are as follows:

Commodity	Current levy amount	Proposed levy			
		2011/2012	2012/2013	2013/2014	2014/2015
Table potatoes	1.300c/kg	1.600c/kg (proposed increase 0.300c/kg)	1,675c/kg	1,750c/kg	1,825c/kg
Certified seed potatoes	0.440c/kg	0.635c/kg (proposed increase 0.195c/kg)	0.665c/kg	0.695c/kg	0.725c/kg
Processing potatoes	0.600c/kg	0.750c/kg (proposed increase 0.15c/kg)	0.785c/kg	0.821c/kg	0.856c/kg
Imported potatoes / products	0.920c/kg	1.130c/kg (proposed increase 0.21c/kg)	1.183c/kg	1.235c/kg	1.288c/kg
Exported potatoes	1.300c/kg	1.600c/kg (proposed increase 0.300c/kg)	1.675c/kg	1.750c/kg	1.825c/kg

The levy amounts are based on services received and differ from commodity to commodity e.g. seed potatoes do not benefit from generic promotion and are therefore exempted from paying the relevant levy amount.

The estimated income and expenditure for the proposed new four year statutory period is as follows:

Year	Estimated income (R)	Estimated expenditure (R)
2011/2012	34 384 541	33 703 675
2012/2013	36 891 115	35 904 550
2013/2014	39 062 976	38 494 382
2014/2015	39 147 811	41 382 957

The NAMC believes that the measures requested are consistent with the objectives of the MAP Act (as set out in section 2 of the Act).

Directly affected groups (e.g. agents, certification bodies, exporters, export inspection bodies, fresh produce markets, importers, producers and traders) in the potato industry are kindly requested to submit any comments, in writing, regarding the proposed statutory measures, to the NAMC on or before 25 February 2011, to enable the Council to finalise its recommendation to the Minister in this regard.

ENQUIRIES:

National Agricultural Marketing Council
Mathilda van der Walt
e-mail: mathilda@namc.co.za
Tel.: (012) 341 1115
Fax No.: (012) 341 1911