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## GENERAL NOTICES ALGEMENE KENNISGEWINGS

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### NOTICE 944 OF 2012

#### NATIONAL AGRICULTURAL MARKETING COUNCIL

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#### REQUEST TO AMEND THE STATUTORY MEASURE REGARDING RECORDS AND RETURNS BY MILK PRODUCERS

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It is hereby made known in terms of section 11 of the Marketing of Agricultural Products Act, 1996 (Act No.47 of 1996) (MAP Act), that the Minister of Agriculture, Forestry and Fisheries has received a request from the milk industry for the amendment of the statutory measure (records and returns).

The Milk Producers' Organisation (MPO), on behalf of directly affected groups in the milk industry applied for the amendment. The current statutory measure (records & returns) in the milk industry will lapse on 1 November 2015. The MPO is the administrator of the existing statutory measure.

According to the applicant (MPO), in some cases, dairy products are being imported at abnormally low prices as a result of, among others, government assistance, fraudulent activities and sub-standard content. This has a significant negative impact on the South African dairy industry as a whole since the industry cannot compete against these imports on a price basis. This creates a cycle of downward pressure on the price paid to producers which in turn leads to a loss in job opportunities and investment in the industry. Furthermore, imports of this nature increase the entry barriers for potential developing/small milk producers and further have a negative impact on the sustainability of existing developing/small milk producers, commercial milk producers and processors of dairy products. The low priced imports cause injury to and disrupt the entire dairy industry by the price suppressing effect it has on the entire dairy value chain.

In terms of the proposed amendment, the MPO shall have, if approved by the Minister, the authority to verify the correctness of import and export statistics through access to all ports of entry into the Republic of South Africa to the following –

- (a) All relevant documentation with regard to imported milk and dairy products;
- (b) All relevant documentation with regard to exported milk and dairy products;

- (c) Inspection of imported milk and dairy products; and
- (d) Inspection of exported milk and dairy products.

A record system that reflects good accounting practise shall be introduced and kept by the MPO.

The National Agricultural Marketing Council (NAMC) took cognisance that the proposed amendment of the statutory measure relating to records and returns as requested by the MPO, is consistent with the objectives of the MAP Act. The request is currently being investigated by the NAMC and recommendations in this regard will be made to the Minister in the near future.

**Directly affected groups in the milk industry are kindly requested to submit any comments regarding the proposed amendment of the statutory measure relating to records and returns to the NAMC before 7 December 2012.**

**Submissions should be in writing and be addressed to:**

**National Agricultural Marketing Council  
Private Bag X 935  
PRETORIA  
0001  
Enquiries: Mr Ndumiso Mazibuko  
E-mail: [ndumiso@namc.co.za](mailto:ndumiso@namc.co.za)  
Tel.: (012) 341 1115  
(012) 441 0596  
Fax No.: (012) 341 1811**