

GENERAL NOTICES ALGEMENE KENNISGEWINGS

NOTICE 569 OF 2013

NATIONAL AGRICULTURAL MARKETING COUNCIL MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996, AS AMENDED (ACT No. 47 OF 1996)

REQUEST FOR THE CONTINUATION OF STATUTORY MEASURES RELATING TO LEVIES, REGISTRATION AND RECORDS & RETURNS IN THE DAIRY INDUSTRY IN TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT

It is hereby made known that, in terms of section 11 of the Marketing of Agricultural Products Act, 1996 (Act No.47 of 1996) (MAP Act), the Minister of Agriculture, Forestry and Fisheries has received a request from the dairy industry for the continuation of statutory measures relating to levies, registration, the keeping of records and the rendering of returns.

The South African Milk Processors' Organisation (SAMPRO), a directly affected group and representative organisation of the secondary dairy industry, applied for these statutory measures. The Milk Producers' Organisation (MPO), the representative organisation of the primary dairy industry, is also supporting the application. The current statutory measures for the dairy industry will expire on 23 December 2013. SAMPRO requested ministerial approval for the continuation of these statutory measures for a new period of four years, to lapse on 31 December 2017.

SAMPRO proposed that the current statutory levies increase by 30 percent. According to SAMPRO, the requested increase of 30 percent is very modest as it will be the first increase in 8 years (the existing levies will be in place for 8 years at the end of 2013). The proposed new levies will be as follows:

Customs Tariff Classification	Product Description	Levy (Vat exclusive)
04.01	Milk and cream, not concentrated nor containing added sugar or other sweetening matter	1,3c per kg
04.02	Milk and cream, concentrated or containing added sugar or other sweetening matter	12,5c per kg
04.03	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added	4,7c per kg

	sugar or other sweetening matter or flavoured or containing added fruits, nuts or cocoa	
04.04	Whey, whether or not concentrated or containing added sugar or other sweetening matter; Products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included	3,8c per kg
04.05	Butter and other fats and oils derived from milk, dairy spreads	13,4c per kg
04.06	Cheese and Curd	18,7c per kg

The estimated income from the levies will be approximately R38 million per annum. The proposed statutory levies will finance the following functions, namely –

- Consumer education (43% of levy income);
- Improvement of the quality of milk and other dairy products (17% of levy income);
- Empowerment of previously disadvantaged individuals (20% of levy income);
- Research and development (5% of levy income);
- Industry information (5% of levy income); and
- Administration (10% levy income)

The MAP Act stipulates that a statutory levy may not exceed 5% of the price realised for a specific agricultural product at the first point of sale. The maximum of 5% must be based on a guideline price calculated as the average price at the first point of sale over a period not exceeding three years. For the proposed statutory levies, the guideline price varies between 0.28% and 0.36% of the price of the relevant dairy products at the first point of sale.

The purpose of the statutory measure relating to registration is to compel all secondary industry role-players in the Republic of South Africa to register with Milk South Africa (the administrator). Registration will facilitate better communication in the industry on matters of common interest such as technical issues, food safety, product standards and other issues.

The purpose of the statutory measure relating to records & returns is to provide a statutory mechanism for dairy processors, traders, brokers, producer distributors, importers and exporters of dairy products, to keep records and furnish returns to Milk South Africa. The

information and analysis thereof will enable Milk South Africa to make market signals available to role-players and government institutions.

The National Agricultural Marketing Council (NAMC) took cognisance that the proposed continuation of the statutory measures relating to levies, registration, the keeping of records and the rendering of returns in the dairy industry as requested by SAMPRO, 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 dairy industry are kindly requested to submit any comments, regarding the proposed statutory measures, to the NAMC on or before 21 June 2013, to enable the Council to finalise its recommendation to Minister in this regard.

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

Tel.:(012) 341 1115

(012) 441 0596

Fax No.: (012) 341 1911