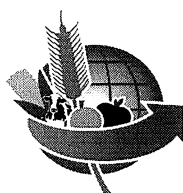


GENERAL NOTICES ALGEMENE KENNISGEWINGS

NOTICE 1055 OF 2013



National Agricultural
Marketing Council

Promoting market access for South African agriculture

REQUEST FOR THE CONTINUATION OF STATUTORY MEASURES (LEVY, REGISTRATION, RECORDS AND RETURNS ON COTTON LINT)

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INVITATION TO DIRECTLY AFFECTED GROUPS IN THE COTTON INDUSTRY TO FORWARD COMMENTS REGARDING THE REQUEST FROM COTTON SA

The statutory levy of 21 c/kg (VAT excluded) on cotton lint produced, payable by ginners to Cotton SA, as well as the statutory measures relating to registration with Cotton SA of producers, purchasers, processors, importers and exporters of cotton and the keeping of records and the submission of returns to Cotton SA by exporters, importers, processors and purchasers of cotton, will lapse on 31 March 2014.

In terms of section 11 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996) (MAP Act), the NAMC hereby announce that the Minister of Agriculture, Forestry and Fisheries has received a request from Cotton SA, on behalf of the directly affected groups in the cotton industry, for the continuation of the following statutory measures for four years as from 1 April 2014:

- Registration (in terms of section 19 of the MAP Act);
- the keeping of records and the submission of returns (in terms of section 18 of the MAP Act); and
- a cotton levy at a rate of 22c/kg (VAT excluded) with annual increases as from 1 April 2015 equal to inflation rate expectations (in terms of section 15 of the MAP Act); payable by South African ginners on cotton lint produced, in order to ensure the continuation of the functions performed by Cotton SA.

It is proposed that the levy be increased from the second year of the levy period to the following amounts (VAT excluded):

- From 1 April 2015 to 23.5/kg on cotton lint,
- From 1 April 2016 to 25c/kg on cotton lint, and
- From 1 April 2017 to 26.5c/kg on cotton lint.

The purpose and aims of the continuation of statutory measures are to enable Cotton SA to perform the following functions that the cotton industry has identified as essential and in the interest of the industry as a whole:

- a) the rendering of information services to all role players;
- b) promotion of cotton production and usage;
- c) co-ordination of research;
- d) maintenance of quality standards and norms and provision of training in this regard;
- e) facilitation of the development of the emerging cotton production sector; and
- f) to act as the representative industry forum.

The budgeted income from the proposed levies is estimated between R1.2 million and R5.3 million per annum on local production for the proposed levy period of 1 April 2014 – 31 March 2018. These forecasts are based on the assumption that no dramatic increase in the cotton crop is expected for the next few years. Other income for Cotton SA include amongst others, contributions for small-scale farmer training, income from the provision of grading services to outside parties, cotton mark royalties as well as investment income, that will again be used to supplement any shortfalls in levy funds. Further ways of broadening the income base are continuously being investigated.

Directly affected groups in the cotton industry are kindly requested to submit any comments regarding the proposed continuation of statutory measures to the National Agricultural Marketing Council in writing (fax 012 341 1811/ 012 341 1911 or e-mail to lizette@namc.co.za) before or on 15 November 2013, to enable the Council to formalise its recommendation to the Minister in this regard.

Enquiries: Ms Lizette Mellet
National Agricultural Marketing Council
Private Bag X 935
PRETORIA
0001
Tel: 012 341 1115
Fax 012 341 1911