
GOVERNMENT NOTICES
GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF AGRICULTURE
DEPARTEMENT VAN LANDBOU

No. 783

25 July 2008

MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996

(ACT No. 47 OF 1996)

REQUEST FOR THE CONTINUATION OF STATUTORY MEASURES IN THE
SOUTH AFRICAN WOOL INDUSTRY
(REGISTRATION AND RECORDS & RETURNS)

It is hereby made known in terms of section 11 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), that the Minister of Agriculture has received a request for a continuation of statutory measures in the wool industry. More information is contained in the Schedule attached hereto.

Directly affected groups are hereby invited to lodge support, objection or comments regarding the proposed continuation of the statutory measures with the National Agricultural Marketing Council within 14 days of the publication thereof.

Submissions should be in writing and be addressed to:

The CEO
National Agricultural Marketing Council
Private Bag X 935
PRETORIA
0001
Fax No.: (012) 341 1811
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Mr Ronald Ramabulana
CEO: NATIONAL AGRICULTURAL MARKETING COUNCIL

**REQUEST FOR THE CONTINUATION OF STATUTORY MEASURES IN THE
SOUTH AFRICAN WOOL INDUSTRY (REGISTRATION AND RECORDS & RETURNS)
IN TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996
(ACT NO 47 OF 1996), AS AMENDED**

1. STATUTORY MEASURES

The statutory measures that is requested to be continued, is that the Minister, in terms of sections 10 and 13 of the Act, by notice in the Government Gazette, direct that producers, brokers, traders or wool buyers, processors, importers and exporters register with Cape Wools SA, and further to keep records and submit returns to Cape Wools SA.

2. INFORMATION REQUIRED BY SECTION 10 OF THE ACT

The particulars as required by section 10 of the Act to be included in a request for the establishment of a statutory measure are as follows:

- 2.1 The statutory measure that is requested to be established, would relate to registration, records and returns.
- 2.2 The categories of directly affected groups which would probably be affected by the proposed extension of the statutory measures are:
- Brokers: persons dealing with wool in the course of trade by treating, keeping, conveying, selling or processing wool on behalf of a producer or cause such actions to be taken on behalf of a producer, or for himself;
 - Exporters: persons dealing with wool in the course of trade by exporting it from the Republic;
 - Importers: persons dealing with wool in the course of trade by importing it into the Republic;
 - Processors: persons dealing with wool in the course of trade by scouring and combing it, or processing it in any other manner, or cause such actions to be taken;
 - Producers: persons producing wool or involved in the production of wool; and
 - Traders or wool buyers: persons dealing with wool in the course of trade by buying and selling wool.
- 2.3 Support for the proposed continuation of the statutory measures was given by the different categories of directly affected and other groups in the wool industry.
- 2.4 The proposed statutory measure will apply to the whole of the Republic of South Africa.
- 2.5 According to the applicant, the proposed continuation of the statutory measures will further the objectives of the Act as stipulated in section 2(2) thereof. Such establishment will also not contravene section 2(3) of the Act, namely will not be substantially detrimental to food security, the number of employment opportunities or to fair labour practices.

- 2.6 The objectives referred to in section 2(2) of the Act are to increase market access for all market participants, to promote the efficiency of the marketing of agricultural products, to optimise export earnings from agricultural products and to enhance the viability of the agricultural sector.

The South African wool producing sector is non-homogenous in terms of geographical location of individuals, size of operation, production mass, quality and value, level of sophistication and several other demographic factors. It is a constant state of flux as individuals and/or organisations enter or leave the industry, requiring ongoing database management.

Communication processes with this sector, in order to increase market access and to enhance the viability of the wool sector, need to be stratified accordingly and would be most effectively and efficiently achieved on the basis of a national register consisting the appropriate information such as names, postal addresses and language preference.

The objective of this statutory measure in terms of section 18 of the Act is entirely consistent with section 2(2) of the Act; in fact, it is essential for achieving the objectives of the Act. Reliable national statistics and objective aggregate information regarding production, sales, price trends and projections, export volumes, prices and destination and market/product requirements are fundamental to the need to increase market access for all participants.

Access to a national database of this nature will support the development of efficient marketing mechanisms for wool and will assist in the optimisation of export earnings for all sectors. Enhancement of the viability of the agricultural sector, particularly the previously disadvantaged wool sector, can only be accelerated if reliable, inclusive and comprehensive market data is available to assess the progress of this sector over time against the benchmark of reliable historical data.

The South African wool market operates in a completely free-market environment and such a request in no way can be perceived to have the potential to distort this trading environment by means of regulatory intervention.

The purpose of this measure is, in fact, to enhance the efficiency of all sectors of the wool industry within the free market environment, and which, if not available, would severely diminish the potential for the development of a prosperous producing, trading and processing sector within the wider national and international economic environment in which the wool industry operates.

The objective of this statutory measure in terms of section 19 of the Act does not contravene section 2(3) of the Act, and facilitates the achievement of the objectives of section 2(2)(b) and 2(2)(d) of the Act.

The provisions for statutory measures as specified in section 2(3), have no application in this regard, as a request for a measure to provide access to records and returns clearly will not have any effect on food security, no effect on the number of employment opportunities (other than, in fact, creating significant opportunities to expand) and is not contrary to fair labour practice.”

- 2.7 If the Minister approves the application, the statutory measures will come into operation on the date of publication thereof in the Government Gazette and shall lapse on 30 June 2012.
- 2.8 The institution that will be responsible for the administration of the statutory measures is Cape Wools SA, a company without profit motive incorporated in terms of section 21 of the Companies Act, 1973 (Act No 61 of 1973). Considering the South African wool industry's international associations and linkages and the need to establish a structure that will ensure the ongoing involvement by all affected parties, Cape Wools SA is the appropriate institution to administer the measures. It is internationally recognised and accepted as the overarching representative South African wool industry body, is representative of all directly affected groups in the wool industry and its sole responsibility is to implement the strategic plan for the wool industry as developed by the Wool Industry Forum of South Africa.