

DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES

NO. 846

17 AUGUST 2018

**MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996
(ACT NO. 47 OF 1996)****ESTABLISHMENT OF LEVY AND DETERMINATION OF GUIDELINE PRICES:
LEVY ON CATTLE, SHEEP, GOATS, RED MEAT, RED MEAT PRODUCTS,
PROCESSED PORK, HIDES AND SKINS**

I, Senzeni Zokwana, Minister of Agriculture, Forestry & Fisheries, acting under sections 10, 13, 14 and 15 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), as amended-

- (a) introduce the levies as set out in the attached Schedule; and
- (b) determine that the guideline prices for cattle, sheep, goats, red meat, red meat products, processed pork, hides and skins for purposes of determining the said levies shall be as set out in the attached Schedule.

SENZENI ZOKWANA
MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES.

SCHEDULE

1. Definitions

In this Schedule any word or expression to which a meaning has been assigned in the Act shall have that meaning, and unless the context otherwise indicates—

“abattoir” means a slaughter facility as defined in section 1 of the Meat Safety Act, 2000 (Act No. 40 of 2000), and where used in context of an obligation placed on an abattoir in this notice, refers to the owner of the slaughter facility;

“authorised official” means any official in the employ of SARS overseeing the importation of goods into the Republic of South Africa including any border official or official involved in Customs and Excise duties;

“DAFF” means the National Department of Agriculture, Forestry and Fisheries;

“designated animals” for purposes of this notice, means cattle, sheep and goats;

“head” means one designated animal irrespective of its age, size or weight or whether it is sold together with another animal, animals or offspring;

“hides and skins” means the hides and skins of designated animals;

“importer” means any person intending to or that has imported red meat and/or red meat products into the Republic of South Africa;

“import permit” means an import permit issued under the Meat Safety Act, 2000 (Act No. 40 of 2000) or the Animal Disease Act, 1984 (Act No. 35 of 1984) by or on behalf of DAFF;

“issuing officer” means a person authorised to issue a permit for the import of red meat or red meat products under the Meat Safety Act, 2000 (Act No. 40 of 2000) or the Animal Disease Act, 1984 (Act No. 35 of 1984);

“livestock agent” means any person who acts as the agent of the buyer or seller of the designated animals, whether the risk of ownership of such designated animals has passed to such person or not;

“Levy Administrator” means Meat Statutory Measure Services, the juristic person entrusted with the implementation, administration and enforcement of the statutory levy established in this notice;

“meat processor” means any person who conducts a business that involves processing red meat, red meat products or processed pork for commercial gain;

“meat trader” means any person selling red meat or red meat products, whether operating independently or as part of a group or chain, and irrespective of whether such sale takes place through wholesale or retail meat trader outlets, but excluding a person who sells red meat, red meat products, or processed pork exclusively as part of that person’s restaurant business or similar culinary trade;

“meat trader outlet” means any premises where red meat or red meat products is traded, whether as part of the operations of another business or in its own right, and regardless if the premises where red meat is traded is shared with other business activities or not;

“owner” for the purposes of article 5 of this notice means, in relation to any designated animal-

- (a) the person liable to pay the price charged by the abattoir for the slaughter of that animal; or
- (b) the person on whose behalf the designated animal is delivered for slaughter, in the event that no price is charged by the abattoir for the slaughter of the designated animal; or
- (c) the abattoir, if the abattoir was the last person to own or acquire the designated animal prior to the slaughter of such animal;

“person” includes natural and juristic persons, partnerships, trusts, voluntary associations, co-operatives and any other bodies, institutions or establishments, whether incorporated or not;

“processed hide or skin” means any hide or skin that has been chemically or mechanically processed to a tanned or pickled state, and **“unprocessed hide or skin”** means any hide or skin which has not been thus processed;

“processed pork” means the meat of pigs that has been altered, other than cutting and portioning, dicing and mincing such meat, to enhance the said meat;

“processing” in relation to red meat, means altering the meat, other than cutting, portioning, dicing and mincing such meat, to enhance the meat, and “process” and “processes” shall have a corresponding meaning;

“red meat” means any carcass or part of a slaughtered and skinned designated animal, fresh or frozen which has not undergone any processing other than deboning, portioning, dicing, mincing, cooling or freezing;

“red meat products” means any product derived from the processing of red meat, with or without the addition of other meat or food products;

“SARS” means the South African Revenue Services;

“the Act” means the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), as amended; and

“year” for the purposes of section 5 of this notice, means the 365 days period after the inception of this levy, and every subsequent such period.

2. **Purpose and aim of the levy and the relation thereof to the objectives of the Act**

The red meat industry has been identified by the DAFF as a productive sector and job driver with potential for accelerated economic growth and job creation through the Agricultural Policy Action Plan and Operation Phakisa processes. As such, the red meat industry wishes to extend the existing levy period by two years to deliver on the functions previously identified, whilst investigating how these functions could be better refined, aligned or extended to support the crucial future development and sustainability of the sector. These functions are-

- (a) consumer assurance;
- (b) consumer communication and education;
- (c) transformation and development;
- (d) research and development;
- (e) industry liaison;
- (f) production development;
- (g) compliance to legislation; and
- (h) administration.

The levy is not detrimental to any of the objectives of the Act, and in particular will not be detrimental to the number of employment opportunities or fair labour practice in the red meat industry.

The levy will be administered by the Levy Administrator who will act in terms of the mandate granted to it by the Red Meat Industry Forum, the representative structure of the red meat industry.

This levy is necessary to finance the above-mentioned functions and the levy will be utilized in accordance with the levy application submitted to the Minister. The Auditor-General will solely be responsible to audit the statutory levies collected and expended.

The actual beneficiaries of the levy will be determined by the Red Meat Industry Forum in accordance with their approved business plans and budgets for the benefit of the entire industry.

3. Products to which the levy applies

This levy shall apply to all –

- (a) designated animals purchased or sold;
- (b) red meat and red meat products from designated animals, hides and skins from designated animals processed within the boundaries of the Republic of South Africa;
- (c) unprocessed hides and skins from designated animals exported from the Republic of South Africa;
- (d) red meat and red meat products (excluding hides and skins) imported into the Republic of South Africa;
- (e) designated animals exported live from the Republic of South Africa; and
- (f) processed pork.

4. Area in which the levy shall apply

This levy shall apply within the geographical boundaries of the Republic of South Africa.

5. Imposition of the levy

The following levies (VAT excluded) are hereby imposed in respect of designated animals, red meat and red meat products, hides and skins and processed pork, as contemplated in section 3 -

(1) Cattle-

Levy

(a) R6.24 per head

How payable

Deducted and retained from the selling price of each designated animal by any buyer of such animal. In the event the said buyer disposes of such animal other than by sale, export, or delivery to an abattoir for slaughter, or if such animal dies or is stolen before the said buyer disposes of it, the buyer shall pay the levy thus deducted and retained over to the Levy Administrator. For avoidance of doubt, the buyer is only entitled to retain the levy thus deducted where the relevant designated animal is sold, exported or delivered to an abattoir for slaughter.

(b) R10.40 per head

Payable by the owner at slaughter, to the abattoir who slaughters such animal, the abattoir shall be liable to collect such levy from the owner and pay it over to the Levy Administrator. Where the abattoir is the owner, the abattoir shall make payment directly to the Levy Administrator.

(c) R659 per year during which the meat trader sells red meat, red meat products or processed pork

Payable by each meat trader to the Levy Administrator, in respect of each outlet through which red meat, red meat products or processed pork is sold.

(d) R1 160 per container or consignment of red meat and

Payable by the importer to the Levy Administrator prior to being issued with

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| red meat products imported | an import permit. The levy receipt number is to be submitted with the permit application to the issuing officer (see note c). |
| (e) R10.40 per head exported live from the Republic of South Africa | Payable by the exporter to the Levy Administrator. |
| (f) 0.102% of commission earned on the sale of designated animals | Payable by the livestock agent to the Levy Administrator. |
| (g) 2.01c per kg for every processed hide produced locally | Payable by the processor to the Levy Administrator. The 2.01c per kg will also be collected for every unprocessed hide exported payable by the exporter to the Levy Administrator. |

(2) Sheep and Goats-

Levy

How payable

- (a) R1.34 per head

Deducted and retained from the selling price of each designated animal by any buyer of such animal. In the event the said buyer disposes of such animal other than by sale, export, or delivery to an abattoir for slaughter, or if such animal dies or is stolen before the said buyer disposes of it, the buyer shall pay the levy thus deducted and retained over to the Levy Administrator. For avoidance of doubt, the buyer is only entitled to retain the levy thus deducted where the relevant designated animal is sold, exported or delivered to an abattoir for slaughter.

- (b) R2.02 per head

Payable by the owner at slaughter, to the abattoir who slaughters such animal, the abattoir shall be liable to collect such levy from the owner and pay it over to the

Levy Administrator. Where the abattoir is the owner, the abattoir shall make payment directly to the Levy Administrator.

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| (c) R659 per year during which the meat trader sells red meat, red meat products or processed pork | Payable by each meat trader to the Levy Administrator, in respect of each outlet through which red meat, red meat products or processed pork is sold. |
| (d) R1 160 per container or consignment of red meat and red meat products imported | Payable by the importer to the Levy Administrator prior to the issuing of an import permit. The levy receipt number is to be submitted with the permit application to the issuing officer (see note c). |
| (e) R2.02 per head exported live from the Republic of South Africa | Payable by the exporter to the Levy Administrator. |
| (f) 0.102% of the commission earned on the sale of designated animals | Payable by the livestock agent to the Levy Administrator. |
| (g) 2.01c per kg for every processed skin produced locally | Payable by the processor to the Levy Administrator. The 2.01c per kg will also be collected for every unprocessed skin exported payable by the exporter to the Levy Administrator. |

(3) Processed Meat

The 2.01c per kg of red meat, red meat products and processed pork purchased by registered meat processors for processing to be paid over by the meat processor to the Levy Administrator.

NOTES:

- a) Only one amount of R659 per year is payable by a meat trader in respect of each outlet through which the said meat trader sells red meat, red meat products or processed pork.
- b) A 3% collection fee may be deducted from the levies collected by the abattoir before the levies are paid over to the Levy Administrator.

- c) Every import permit issued will attract a minimum R1160 statutory levy charge payable by the applicant. Where an import permit is issued for more than one container or load per consignment then each individual container or load per consignment up to a maximum of 28mt will attract the levy charge payable by the applicant. Where a master import permit is issued the R1160 statutory levy will be payable by the applicant for every multiple of 25mt.

Exclusions - Where an import permit is issued for the importation of samples, where the quantity to be imported is less than 200kg then the statutory levy shall be waived for that import permit.

6. Persons by whom and to whom the levy shall be payable

The levy imposed under section 5 shall be payable by the persons set out in the notice to the Levy Administrator, or his designated agent, within the period set out in section 8.

7. Guideline prices

The guideline prices for the different designated animals, red meat, red meat products, processed pork, hides and skins shall be as follows -

(1) Cattle -

<u>Category</u>	<u>Guideline price</u>
(a) Cattle	
Weaners	R5 500 per head
Slaughter stock	R9 100 per head
(b) Carcass price	Average price R37/kg
(c) Meat imported	Average price R35/kg
(d) Cattle exported live	R9 100 per head
(e) Hides	R11/kg

(2) Sheep and Goats-

<u>Category</u>	<u>Guideline price</u>
(a) Sheep and goats	
Slaughter stock	R1 600 per head
Lambs and kids	R660 per head
(b) Carcass price	Average price R55/kg

(c) Meat imported	Average price R33/kg
(d) Sheep & goats exported live	R1 600 per head
(e) Skins	R65/skin

(3) Processed meat-

<u>Category</u>	<u>Guideline price</u>
Processed meat	Average price R37/kg

8. Payment and enforcement of the Levy

A levy imposed in terms of this notice shall be paid to the Levy Administrator -

- (a) in the case of an event referred to in sections 5 (1) (b), 5(2) (b) and 5 (3), within 14 days after the end of the calendar month within which the purchase, sale or other event, as the case may be, took place;
- (b) in the case of the levy referred to in sections 5 (1) (c) or 5 (2) (c), on or before the last day of March of the relevant year of which the levy is payable;
- (c) in the case of an event referred to in sections 5 (1), (e), (f) and (g), and 5 (2), (e), (f) and (g), within 14 days after the end of the calendar month within which the transaction took place; and
- (d) in the case of an event referred to in sections 5(1)(d) and 5(2)(d) payment is made prior to the issuance of an import permit.

8.1 Payment shall be made by means of a cheque or electronic bank transfer in favour of the Levy Administrator, and shall-

- (a) when paid by cheque, be addressed to:

Meat Statutory Measure Services
P O Box 36802
Menlo Park
Pretoria
0102

- (b) when electronically transferred, be paid into the account number obtainable from the Levy Administrator.

8.2 The implementation, administration and enforcement of the levy established in this notice is entrusted to Meat Statutory Measure Services,

a non-profit company as contemplated in the Companies Act, 2008 (Act No. 71 of 2008).

9. Escalation

The levy will be escalated each year from the second year of the two year extension period as follows-

4 Nov 2019 – 5 Nov 2020		4 Nov 2019 – 5 Nov 2020	
5 (1)(a)	R 6.61	5 (2)(a)	R 1.42
5 (1)(b)	R 11.02	5 (2)(b)	R 2.14
5 (1)(c)	R 699	5 (2)(c)	R 699
5 (1)(d)	R 1 230	5 (2)(d)	R 1 230
5 (1)(e)	R 11.02	5 (2)(e)	R 2.14
5 (1)(f)	0.108%	5 (2)(f)	0.108%
5 (1)(g)	2.13c/kg	5 (2)(g)	2.13c/kg
5 (3)	2.13c/kg	5(3)	2.13c/kg

10. Use of the levy

The Minister approves that-

- (a) at least 70% of the levy funds should be used for activities relating to; consumer assurance, consumer communication and education, research and development, industry liaison, production development and compliance to legislation;
- (b) not more than 10% for administrative use; and
- (c) at least 20% is allocated towards transformation.

11. Commencement and period of validity

This levy shall come into operation on 5 November 2018 and will lapse after an extension period of two years. The lapsing of the levy shall not -

- (a) Affect the previous operation of the levy so lapsed or anything duly done or suffered under the levy so lapsed; or
- (b) Affect any right, privilege, obligation or liability acquired, accrued or incurred under the levy so lapsed; or
- (c) Affect any penalty, forfeiture or punishment incurred in respect of any offence committed against the levy so lapsed; or

(d) Affect any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, forfeiture or punishment as acquired, accrued or incurred in terms of the levy so lapsed, and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed, as if the levy had not lapsed.