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DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES

NO. 362

27 MARCH 2020

**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 RED MEAT INDUSTRY
IN TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT**

It is hereby made known that, in terms of section 10 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996) (MAP Act), the Minister of Agriculture, Land Reform and Rural Development has received a request from the red meat industry for the continuation of statutory measures relating to levies, registration, the keeping of records and the rendering of returns. The Red Meat Industry Forum (RMIF), representative of most of the role-players in the red meat industry, applied for the proposed statutory measures.

The current statutory measures in the red meat industry will expire on 4 November 2020. The RMIF requested ministerial approval for the continuation of these statutory measures for a new period of two years, from 5 November 2020 to lapse on 4 November 2022. In terms of this application, the red meat industry refers to role-players involved in the production and marketing of cattle, goats, sheep and its products, as well as the relevant products purchased for processing.

The proposed statutory measures in the red meat industry will be administered by the Red Meat Levy Administrator (RMLA), which has performed this role for the past few years. The proposed new levies will be as follows:

Cattle	From 5/11/2020 Until 4/11/2021	From 5/11/2021 until 4/11/2022
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.	R7.01 per head	R7.43 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.	R11.68 per head	R12.38 per head
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.	R741 per year during which the meat trader sells red meat, red meat products or processed pork	R785 per year during which the meat trader sells red meat, red meat products or processed pork
Payable by the importer to the Levy Administrator prior to being issued with an import permit. The levy receipt number is to be submitted with the permit application to the issuing officer.	R1 304 per container or consignment	R1 382 per container or consignment
Payable by the exporter to the Levy Administrator.	R11.68 per head exported live	R12.30 per head exported live
Payable by the livestock agent to the Levy Administrator.	0.114% of commission	0.122% of commission
Payable by the processor for every hide locally produced to the Levy Administrator. Payable by the exporter for every unprocessed hide exported, to the Levy Administrator.	2.26c per kg	2.40c per kg

Sheep and Goats	From 5/11/2020 until 4/11/2021	From 5/11/2021 until 4/11/2022
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.	R1.51 per head	R1.60 per head
Payable by the owner at slaughter, to the abattoir which 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.	R2.27 per head	R2.41 per head
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.	R741 per year	R785 per year
Payable by the importer to the Levy Administrator prior to being issued with an import permit. The levy receipt number is to be submitted with the permit application to the issuing officer.	R1 304 per container or consignment	R1 382 per container or consignment.

Payable by the exporter to the Levy Administrator.	R2.27 per head	R2.40 per head
Payable by the livestock agent to the Levy Administrator.	0.114% of the commission	0.122% of the commission
Payable by the processor for every skin locally produced to the Levy Administrator. Payable by the exporter for every unprocessed skin exported to the Levy Administrator.	2.26c per kg	2.40c per kg

Processors	From 5/11/2020 until 4/11/2021	From 5/11/2021 until 4/11/2022
For red meat products and processed pork purchased by registered meat processors for processing to be paid over to the Levy Administrator.	2.26c per kg	2.40c per kg

Notes:

- The R741 per year payable by each meat trader outlet relates to each outlet *per se*, and is not applicable per meat trader outlet per specie; and
- A 3 % collection fee can be deducted from the collected levies by the abattoir before the levies are paid over to the Levy Administrator.
- Every import permit issued will attract a minimum R1 304 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 R1 304 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, and the quantity to be imported is less than 200kg, then the statutory levy shall be waived for that import permit.

The estimated income from the proposed levies is between R50,8 million (for 2020/21) and R54,1 million per annum (for 2021/22). The proposed statutory levies will finance the following functions, namely –

- Consumer assurance;
- Consumer communication and education;
- Transformation in the developing sector;
- Red meat research and development;
- Industry and international liaison;
- Production development;
- Compliance to legislation; and
- Administration.

The MAP Act stipulates that a statutory levy may not exceed 5% of the price released 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. The RMIF calculated the guideline price for cattle at R12 000 per head and the proposed levy of R11.68 per head from 5 November 2020, until 4 November 2021 equates to 0.10% of the guideline price. For sheep/goats the guideline price was calculated at R1 900 per head and the proposed levy of R2.27 per head for the first year equated to 0.11% of the guideline price. Both the proposed statutory levies for cattle and sheep/goats of 0.10% and 0.11% of the guideline prices respectively, are well within the requirement of 5% as stipulated in the MAP Act.

The RMIF decided that the proposed statutory levies will be a proportional transaction-based levy to ensure that all directly affected groups in the red meat value chain are making a contribution.

The purpose of the statutory measure relating to registration is to compel all relevant role-players in the red meat industry to register with the Levy Administrator. The purpose of the statutory measure relating to records and returns is to compel all relevant role-players in the red meat industry to render records and returns to the Levy Administrator. By prescribing the keeping of records with the rendering of returns on an individual basis, market information for the whole of the industry can be processed and published. These statutory measures are necessary to ensure that continuous, timeous and accurate information relating to the designated animals slaughtered and their products, is available to all role-players. Market information is deemed essential for all role-players in order for them to make informed decisions.

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 red meat industry as requested by RMIF, 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 red meat industry are kindly requested to submit any comments, regarding the proposed statutory measures, to the NAMC on or before 10 April 2020, to enable the Council to finalise its recommendation to the Minister in this regard.

Submissions should be in writing and be addressed to:

National Agricultural Marketing Council

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