
GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

GENERAL NOTICE 995 OF 2022



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

REQUEST FOR THE ESTABLISHMENT 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 establishment of statutory measures relating to levies, registration, the keeping of records and the rendering of returns. The Red Meat and Livestock Primary Cluster (RMLPC), which was the initiative of the Red Meat Abattoir Association (RMAA), the South African Feedlot Association (SAFA), the Red Meat Producers' Organisation (RPO) and National Emerging Red Meat Producers' Organisation (NERPO), is the applicant, and the RMLPC created a Not-for-profit Company, namely the Red Meat Industry Services (RMIS), to administer the proposed statutory measures.

The current statutory measures in the red meat industry will expire on 4 November 2022. The RMLPC, after some restructuring in the red meat industry, requested ministerial approval for the establishment of the proposed statutory measures for a new period of four years, from 5 November 2022 to lapse on 4 November 2026. The proposed statutory measures are as follows:

- A statutory levy in terms of section 15 of the MAP Act;
- Records and returns in terms of section 18 of the MAP Act; and
- Registration in terms of section 19 of the MAP Act.

The proposed new statutory levies in the red meat industry for a 12-month period (applicable from 5 November to 4 November the next year), will be as follows:

| Levy period | Levy per head of animal at point of slaughter (VAT excluded) | |
|-------------|--|-----------------|
| | Cattle | Sheep and goats |
| 2022/23 | R13.00 | R2.53 |
| 2023/24 | R13.65 | R2.66 |
| 2024/25 | R14.33 | R2.79 |
| 2025/26 | R15.05 | R2.93 |

The estimated income from the proposed levies is between R42.2 million (for 2022/23) and R50.5 million (for 2025/26). The proposed statutory levies will finance the following functions, namely –

- Animal Health, Public Health and Biosecurity – 30%
 - FMD high risk prioritisation
 - Traceability and Identification
 - Consumer assurance and product safety
- Market Access – 15%
 - Increase market size and value-chain participation
- Inclusive Growth – 20%
 - Transformation in the developing sector
- Competitiveness & Sustainability – 25%
 - Production development
 - Industry Information
 - Red meat research and development
 - Consumer communication and education
- Administration and Governance – 10%

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 RMLPC calculated the guideline price for cattle at R12 000 per head and the proposed levy of R13.00 per head from 5 November 2022, until 4 November 2023 equates to 0.11% of the guideline price. For sheep/goats the guideline price was calculated at R1 900 per head and the proposed levy of R2.53 per head for the first year equated to 0.13% of the guideline price. Both the level of the proposed statutory levies for cattle and

sheep/goats, as a percentage of the guideline prices respectively, are well within the requirement of 5% as stipulated in the MAP Act.

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, 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 establishment 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 RMLPC, 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 6 May 2022, to enable the Council to finalise its recommendation to the Minister in this regard.

Submissions should be in writing and be addressed to:

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