

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT**NO. R. 3615****30 June 2023****MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996****(ACT No. 47 OF 1996)****WINE INDUSTRY: AMENDMENT OF STATUTORY MEASURES AND
DETERMINATION OF GUIDELINE PRICES**

I, Angela Thokozile Didiza, Minister of Agriculture, Land Reform and Rural Development, acting under sections 13, 15, 18 and 19 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), hereby –

- (a) amend the statutory measures published by Government Notice No. R. 11335 of 10 September 2021 by the replacement with the content in this Schedule;
- (c) determine that the guideline price for –
 - (i) grapes intended for the production of wine shall be R5 965.00 per ton;
 - (ii) grape juice concentrate intended for use in wine shall be 705.74 cents per litre at 17.4 degrees Balling;
 - (iii) drinking wine shall be 753.66 cents per litre;
 - (iv) distilling wine and wine spirit shall be 236.06 cents per litre at 10 per cent alcohol by volume; and
 - (v) export wine shall be 753.66 cents per litre;

MRS A.T. DIDIZA, (MP)**MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT**

SCHEDULE

Definitions

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

"brandy levy" means the statutory levy referred to in clause 9;

"bottler" means any person who renders services in respect of bottling, stabilising, blending, filtering, labelling or storage on behalf of wine producers or wine traders, but is not registered as such;

"certified" means granted authorization in terms of a scheme for the use of particulars referred to in section 11(3)(a) of the Liquor Products Act, 1989 (Act No. 60 of 1989);

"Department" means the Department of Agriculture, Land Reform and Rural Development;

"drinking wine" includes grape juice used in the production of drinking wine, wine spirit added to drinking wine for fortification or other purposes, wine used in the production of other alcoholic products, low alcohol wine, de-alcoholised wine and alcohol-free wine;

"export levy" means the statutory levy referred to in clause 8;

"export wine" means drinking wine exported from the Republic of South Africa;

"grapes" means grapes intended for the production of drinking wine or distilling wine;

"grape juice" means grape juice and grape juice concentrate intended for use in drinking wine or other alcoholic products;

“grape producer” means any producer of grapes intended for the production of drinking wine, industrial or distilling wine;

“in bulk” means a container of more than five litres;

“industrial wine” is wine not incorporated or transformed into other alcoholic beverages, such as wine used for vinegar, food, medical products, hand sanitizers, food sauces and household and vehicle cleaning products;

“registration statutory measure” means the statutory measure referred to in clause 5;

“research, development and information levy” means the statutory levy referred to in clause 7;

“returns statutory measure” means the statutory measure referred to in clause 6;

“SA Wine” means South Africa Wine NPC, a non-profit company in terms of the Companies Act, 2008 (Act No. 71 of 2008);

“SAWIS” means the SA Wine Industry Information and Systems NPC, a non-profit company in terms of the Companies Act, 2008 (Act No. 71 of 2008);

“statutory measures” means –

- (a) brandy statutory levy;
- (b) export statutory levy;
- (c) registration statutory measure;
- (d) research, development and information statutory levy; and
- (e) returns statutory measure

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

“uncertified” means not granted authorization in terms of a scheme for the use of particulars referred to in section 11(3)(a) of the Liquor Products Act, 1989 (Act No. 60 of 1989);

“vines” means vines intended for the production of grapes;

“wine exporter” means any person who exports drinking wine who is not registered as a wine producer or wine trader;

“wine producer” means any person who crushes grapes and who is not registered as a wine trader;

“wine spirit” means any spirit derived from wine, wine lees or husks;

“wine trader” means any person not registered as a wine producer who purchases or otherwise acquires -

- (a) grapes; or
- (b) drinking wine, industrial wine, distilling wine or wine spirit, in bulk from a wine producer;

Purpose and aims of the amendment of statutory measures and the relation thereof to the objectives of the Act

2. (1) (a) The purpose and aims of the registration statutory measure are to compel the parties set out herein to register with SAWIS. Registration is necessary to assist SAWIS in ensuring that continuous, timeous and accurate information relating to the products defined, is available to all role players. Market information is deemed essential for all role players in order for them to make informed decisions. By combining compulsory registration with the keeping of information and the rendering of returns on an individual basis, market information for the whole of the industry can be processed and disseminated and will form the basis for the collection of statutory levies.

- (b) The continuation of the registration statutory measure will assist in promoting the efficiency of the marketing of products. The viability of the wine industry will, thus, be enhanced. The registration measure will not be detrimental to the number of employment opportunities or fair labour practice.
 - (c) The registration measure will be administered by SAWIS. SAWIS will continue to implement and administer the registration measure as set out in the Schedule.
- (2)
 - (a) The purpose and aims of the returns statutory measure is to compel the parties set out herein to keep records and render returns to SAWIS. This is necessary to ensure that continuous, timeous and accurate information relating to the products defined, is available to all role players. Market information is deemed essential for all role players in order for them to make informed decisions. 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 disseminated.
 - (b) The continuation of the returns measure will assist in promoting the efficiency of the marketing of products. The viability of the wine industry will, thus, be enhanced. The returns measure will not be detrimental to the number of employment opportunities or fair labour practice. Any information obtained will be dealt with in a confidential manner and no sensitive or potentially sensitive client-specific information will be made available to any party without the prior approval of the party whose rights are affected.
 - (c) The returns measure will be administered by SAWIS. SAWIS will continue to implement and administer the returns measure as set out in the Schedule.
- (3)
 - (a) The objectives of the research, development and information statutory levy are –
 - (i) to support the wine industry with expertise, enabling it to be cost effective while producing quality wines and other grape based

products through the application of environmentally friendly technologies;

- (ii) to support the training and education of individuals for the industry – at all levels in terms of skills, knowledge and insight development – in order to ensure the practical implementation of the best knowledge and most advanced technologies in viticulture, wine making and other grape based products;
- (iii) to establish a culture of technological innovation, to ensure the ongoing utilisation of the best technology within the industry, and to facilitate its dissemination to all the sectors of the industry;
- (iv) to facilitate the development of resource poor and previously disadvantaged producers and to improve their access to the industry by making leading edge appropriate technology available to such producers;
- (v) to establish world leadership in selected niche areas of the wine industry through a network of scientific and technological expertise;
- (vi) to commission relevant and thoroughly planned research, technology development and technology transfer in the promotion of the industry's technological capabilities and in the attainment of the other objectives.
- (vii) to fund the registration of industry role players, and ensure the collection and dissemination of information. These measures are necessary to ensure that continuous, timeous and accurate information relating to various products in the wine industry, is available to all role players in order for them to make informed decisions.
- viii) to fund, maintain and further develop an ethical trade system. It will ensure rapid transitioning to a transformed, ethical, just and sustainable environment, which is a key global sourcing requirement to ensure that impacts on workers are positive and developmental rather than negative, contributing to violations, and worker abuse. South Africa's international markets are having an increased focus on addressing their South African suppliers' readiness to address the protection of workers and their human

rights. The requirement for exported products such as wine to trade ethically and to participate in the monitoring of labour practices, progress made in development indicators such as skills development leading to transformation through leadership and ownership, harm reduction and identification of potential transgressions, has become a global commercial imperative. The successful and continuous implementation of ethical labour best practices that both empowers workers to exercise their labour rights and allows for opportunities to create social dialogue between owners and workers to address disputes and remedy abuses is key to the transformation of wine enterprises into successful and sustainable wine business ventures.

- (b) The research, development and information levy will not be detrimental to food security, the number of employment opportunities within the economy or to fair labour practice. It is aimed at growing the competitiveness and capacity of the industry concerned.
 - (c) The research, development and information levy will be administered by SA Wine. SA Wine will continue to implement and administer the research, development and information levy as set out in the Schedule.
 - (d) The research, development and information levy will be collected by SAWIS, who will act on behalf of SA Wine in this regard. SA Wine is the actual beneficiary of the levy who will utilise it in accordance with their business plan.
- (4) (a) The objective of the export statutory levy aims at increasing the profit margin for the industry for each focus market. This promotion will enhance the image of South Africa as a quality wine producer and increase opportunities for growth in new markets. It will assist South Africa to remain competitive in the global market place. In addition, it will assist in capacity building among all exporters, in particular SMME's and BEE's, and in improving the efficiency of the export process. To last-mentioned end a portion of the levy is used to fund,

maintain and further develop the Wine-on-Line system, a free, user friendly, automated export certification process.

- (b) The export levy will not be detrimental to food security, the number of employment opportunities within the economy or to fair labour practice. It is aimed at growing the competitiveness and capacity of the industry concerned.
 - (c) The export levy will be administered by SA Wine. SA Wine will continue to implement and administer the export levy as set out in the Schedule.
 - (d) The export levy will be collected by SAWIS, who will act on behalf of SA Wine in this regard. SA Wine is the actual beneficiary of the levy who will utilise it in accordance with their business plan.
- (5)
- (a) The objective of the brandy statutory levy, brandy being an integral part of the wine industry, is to contribute in creating a transformed and responsible value chain and focus market. An integrated approach in collaboration with the wine industry will create a larger impact on the entire value chain. This is important to empower new entrants into the category and offer support/mentorship to ensure successful launches.
 - (b) By utilising innovation within the brandy category as well as a strong drive to create relevance to a new consumer base will substantially stimulate the category to ensure market growth and to contribute to the long-term viability and sustainability of the wine and brandy industry as a whole.
 - (c) The brandy levy will not be detrimental to food security, the number of employment opportunities within the economy or to fair labour practice. It is aimed at growing the competitiveness and capacity of the industry concerned.
 - (d) The brandy levy will be administered by SA Wine. SA Wine will implement and administer the brandy levy as set out in the Schedule.
 - (e) The brandy levy will be collected by SAWIS, who will act on behalf of SA Wine in this regard. SA Wine is the actual beneficiary of the levy who will utilise it in accordance with their business plan.

Products to which statutory measures apply -

3. (1) The registration statutory measure shall apply to grapes, grape juice, drinking wine, industrial wine, distilling wine and wine spirit.
- (2) The returns statutory measure shall apply to vines, grapes, grape juice, grape juice concentrate, drinking wine, industrial wine, distilling wine and wine spirit.
- (3) The brandy statutory levy shall apply to distilling wine and wine spirit.
- (4) The research, development and information statutory levy shall apply to grapes, grape juice concentrate and drinking wine.
- (5) The export statutory levy shall apply to export wine.

Area in which the statutory measures shall apply

4. The statutory measures shall apply in the geographical area of the Republic of South Africa.

Registration statutory measure

5. (1) (a) All bottlers, grape producers, grape juice producers, wine exporters, wine producers and wine traders shall register with SAWIS.
- (b) A person shall have a choice to register as either a wine producer or wine trader, but not both.
- (c) A person who is a grape producer as well as a wine producer or wine trader shall register as a grape producer and as a wine producer or wine trader.
- (d) Application for registration shall –
 - (i) be made within 30 days of becoming a party as contemplated in subclause (1);
 - (ii) be made on the application form obtainable free of charge from SAWIS;
 - (iii) be submitted, when forwarded by post, to –
SAWIS, P.O. Box 238, Paarl, 7620;
 - (iv) when delivered by hand, be delivered to –
SAWIS, Main Road 312, Paarl;
 - (v) when submitted electronically, be sent to the address and in the format obtainable from SAWIS or done on sawionline.co.za.

Returns statutory measure

6. (1) All bottlers, grape producers, wine exporters, wine producers and wine traders shall keep such records and render the returns as may be required by SAWIS relating to –
- (a) vines;
 - (b) grapes;
 - (c) grape juice, grape juice concentrate, drinking wine, industrial wine, distilling wine and wine spirit produced, received, stored, sold, exported or otherwise utilised.
- (2) The Department shall render a copy of all export documents required by SAWIS or furnish information required by SAWIS regarding exports within the period specified in subclause (4).
- (3) The records referred to in subclause (1) shall –
- (a) be recorded on a computer or with ink in a book;
 - (b) be kept at the registered premises of the person required to keep it for a period of at least three years.
- (4) The returns referred to in subclause (1) shall be rendered on forms obtainable free of charge for this purpose from SAWIS within 15 days after the end of each calendar month and shall –
- (a) be submitted, when forwarded by post, to –
SAWIS, P.O. Box 238, Paarl, 7620;
 - (b) when delivered by hand, be delivered to –
SAWIS, Main Road 312, Paarl;
 - (c) when submitted electronically, be sent to the address and in the format obtainable from SAWIS or done on sawisonline.co.za.

Research, development and information statutory levy

7. (1) A research, development and information statutory levy is hereby continued to be imposed on –
- (a) grapes;
 - (b) grape juice concentrate; and

- (c) drinking wine;
- (2) The amount of the research, development and information statutory levy shall -
- a) in the case of grapes, be -
 - (i) R48.58 per ton for the period 1 July 2023 to 31 December 2023;
 - (ii) R50.75 per ton for the period 1 January 2024 to 31 December 2024; and
 - (iii) R53.06 per ton for the period 1 January 2025 to 31 December 2025;
 - b) in the case of grape juice concentrate, be -
 - (i) 6.94 cent per litre at 17,4 degrees Balling for the period 1 July 2023 to 31 December 2023;
 - (ii) 7.25 cent per litre at 17,4 degrees Balling for the period 1 January 2024 to 31 December 2024; and
 - (iii) 7.58 cent per litre at 17,4 degrees Balling for the period 1 January 2025 to 31 December 2025; and
 - c) in the case of drinking wine, be -
 - (i) 6.94 cent per litre for the period 1 July 2023 to 31 December 2023;
 - (ii) 7.25 cent per litre for the period 1 January 2024 to 31 December 2024; and
 - (iii) 7.58 cent per litre for the period 1 January 2025 to 31 December 2025.
- (3) The research, development and information statutory levy shall –
- (a) be payable by a wine producer in respect of drinking wine packaged in containers of 5 litres or less;
 - (b) be payable by a wine trader in respect of -
 - (i) grapes;
 - (ii) grape juice concentrate in containers of more than 5 litres, acquired from a wine producer; and
 - (iii) drinking wine in containers of more than 5 litres, acquired from a wine producer.

- (4) The research, development and information statutory levy shall be payable to SAWIS, acting on behalf of SA Wine, in accordance with subclause (5).
- (5) (a) Payment of the research, development and information levy shall be made not later than sixty days following the month of delivery of a quantity of grapes, grape juice concentrate or drinking wine, sold, purchased or otherwise acquired.
- (b) Payment shall be made by means of an electronic transfer to the bank account obtainable from SAWIS.

Export statutory levy

- 8. (1) A wine export generic promotion statutory levy is hereby continued to be imposed on export wine.
- (2) The amount of the wine export generic promotion statutory levy shall –
 - (a) in the case of certified bulk export wine, be –
 - (i) 15.28 cent per litre for the period 1 July 2023 to 31 December 2023, of which 0.65 cent per litre shall be used to fund, maintain and further develop the Wine-on-Line system;
 - (ii) 15.97 cent per litre for the period 1 January 2024 to 31 December 2024, of which 0.68 cent per litre shall be used to fund, maintain and further develop the Wine-on-Line system; and
 - (iii) 16.69 cent per litre for the period 1 January 2025 to 31 December 2025, of which 0.71 cent per litre shall be used to fund, maintain and further develop the Wine-on-Line system;
 - (b) in the case of certified packaged export wine, be –
 - (i) 18.35 cent per litre for the period 1 July 2023 to 31 December 2023, of which 0.65 cent per litre shall be used to fund, maintain and further develop the Wine-on-Line system;
 - (ii) 19.18 cent per litre for the period 1 January 2024 to 31 December 2024, of which 0.68 cent per litre shall be used to

- fund, maintain and further develop the Wine-on-Line system;
and
- (iii) 20.04 cent per litre for the period 1 January 2025 to 31 December 2025, of which 0.71 cent per litre shall be used to fund, maintain and further develop the Wine-on-Line system;
and
- (c) in the case of uncertified export wine, be –
- (i) 14.55 cent per litre for the period 1 July 2023 to 31 December 2023, of which 0.65 cent per litre shall be used to fund, maintain and further develop the Wine-on-Line system;
- (ii) 15.21 cent per litre for the period 1 January 2024 to 31 December 2024, of which 0.68 cent per litre shall be used to fund, maintain and further develop the Wine-on-Line system;
and
- (iii) 15.89 cent per litre for the period 1 January 2025 to 31 December 2025, of which 0.71 cent per litre shall be used to fund, maintain and further develop the Wine-on-Line system.
- (3) The wine export generic promotion statutory levy shall be paid by the exporter.
- (4) The wine export generic promotion statutory levy shall be payable to SAWIS, acting on behalf of SA Wine, in accordance with subclause (5).
- (5) (a) Payment of the wine export generic promotion statutory levy shall be made not later than 60 days following the month of export.
- (b) Payment shall be made by means of an electronic transfer to the bank account obtainable from SAWIS.
- (6) SA Wine may, in accordance with criteria determined by it, grant exemption from the payment of the wine export generic promotion levy for a consignment of wine exported if satisfied that such exemption will not frustrate the purpose and aims of this statutory measure.

Brandy statutory levy

9. (1) A brandy statutory levy is hereby imposed on –
- (a) distilling wine; and
 - (b) wine spirit.
- (2) The amount of the brandy statutory levy shall –
- (a) in the case of distilling wine and wine spirit, be –
 - (i) 3.33 cent per litre at 10 per cent alcohol by volume for the period 1 July 2023 to 31 December 2023;
 - (ii) 3.48 cent per litre at 10 per cent alcohol by volume for the period 1 January 2024 to 31 December 2024; and
 - (iii) 3.64 cent per litre at 10 per cent alcohol by volume for the period 1 January 2025 to 31 December 2025.
- (3) The brandy statutory levy shall –
- (a) be payable by a wine producer in respect of –
 - (i) wine spirit packaged in containers of 5 litres or less;
 - (ii) wine spirit sold to another wine producer;
 - (iii) wine spirit produced by a wine producer and used for fortification of that wine producer's own drinking wine.
 - (b) be payable by a wine trader in respect of –
 - i) distilling wine and wine spirit, in containers of more than 5 litres, acquired from a wine producer.
- (4) The brandy statutory levy shall be payable to SAWIS, acting on behalf of SA Wine, in accordance with subclause (5).
- (5) (a) Payment of the brandy statutory levy shall be made not later than sixty days following the month of delivery of a quantity of distilling wine or wine spirit sold, purchased or otherwise acquired.
- (b) Payment shall be made by means of an electronic transfer to the bank account obtainable from SAWIS.

Period of validity

10. This amendment of the existing statutory measures shall come into operation on the date of publication and will lapse on 31 December 2025.