

## DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

NO. 2382

22 March 2024



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**CAPE FLORA / FYNBOS INDUSTRY**  
**APPLICATION FOR THE CONTINUATION OF STATUTORY MEASURES**  
**ON FYNBOS CUT-FLOWER PRODUCTS EXPORTED**  
**(EXPORT COLD CHAIN PRODUCTS ONLY)**

**NAMC REQUESTING COMMENTS / INPUTS FROM DIRECTLY AFFECTED GROUPS**

On 8 March 2024, Cape Flora SA (CFSA) applied, in terms of the Marketing of Agricultural Products Act (MAP Act) 1996, on behalf of the fynbos cut-flower industry (fynbos industry) for the continuation of statutory measures (levies, records & returns and registration) on exported fynbos products. The current statutory measures on fynbos expires on 11 September 2024.

CFSA requested that the following statutory measures be approved for a new 4 (four) year period with effect from 1 October 2024, namely -

- Section 15 of the Marketing of Agricultural Products Act (MAP Act): Levies;
- Section 18 of the MAP Act: Records and returns; and
- Section 19 of the MAP Act: Registration.

The purpose and objective of the proposed statutory measures are as follows:

- The **payment of the levy**, in terms of section 15 of the MAP Act, will be used to finance the following functions:
  - Technical research (30%);
  - Information, statistics and training (10%);
  - Transformation and training (20%);
  - Market access, development and communication (30%); and
  - Administration (10%).

**Council Members:** Mr. A. Petersen (Chairperson), Ms. T. Ntshangase (Deputy Chairperson), Prof. A. Jooste, Mr. S.J. Mhlaba, Ms. F. Mkile, Ms. N. Mokose, Ms. S. Naidoo, Mr. G. Schutte and Dr. S.T. Xaba.

The following levy amounts on export volumes of cultivated fynbos products are proposed:

Carton Type	Current levy	2024/25	2025/26	2026/27	2027/28
	R/carton*				
<b>S14</b>	2,78	2,92	3,05	3,19	3,33
<b>S11</b>	2,18	2,29	2,39	2,50	2,61
<b>S22</b>	4,36	4,58	4,78	5,00	5,22
<b>S14 Mini</b>	1,39	1,46	1,53	1,59	1,67

\*not including VAT

The MAP Act stipulates that a statutory levy may not exceed 5% of the price realised 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 2024/25 proposed average statutory levy level of R2,81 per standard export carton, is less than 1% of the calculated average guideline price for fynbos per carton and is therefore well within the limit of 5%.

Proposed budget for the four (4) year period:

	2024/25	2025/26	2026/27	2027/28	%
	Rand	Rand	Rand	Rand	
Technical research	442 594	494 886	553 357	618 736	30
Information, statistics and training	147 531	164 962	184 452	206 245	10
Transformation and training	295 063	329 924	368 905	412 491	20
Administration	147 531	164 962	184 452	206 245	10
Market access, development and communication	442 594	494 886	553 357	618 736	30
<b>Total</b>	<b>1 475 313</b>	<b>1 649 620</b>	<b>1 844 523</b>	<b>2 062 453</b>	

- o Submitting **records and returns**, in terms of section 18 of the MAP Act and **Registration** in terms of section 19 of the MAP Act

Submitting records and returns to CFSA and registration with CFSA will ensure the availability and provision of continuous, timeous and accurate information relating to the products indicated above, to all stakeholders in the industry deemed to be essential to ensure informed decision making and a stable and profitable industry.

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CFSA indicated that no records or returns shall be required in terms of this measure which discloses confidential information of a marketing nature, and in particular, no returns disclosing, *inter alia*, contracting parties; purchasers of fynbos; prices of services or the prices obtained for fynbos, or any similar information.

By combining compulsory registration with the keeping of information and the rendering of returns on an individual basis, generic information for the whole of the industry can be processed and disseminated and will form the basis for the collection of levies where applicable and appropriate.

It is proposed that CFSA, a non-profit company established in terms of the Companies Act (as amended), 2008 (Act 71 of 2008), implement and administer the proposed statutory measures. The statutory levies for CFSA will be accounted for separately from other funds and activities within CFSA, in accordance with the prescriptions of the NAMC and the Auditor General.

The NAMC believes that the statutory measures requested are consistent with the objectives of the MAP Act (as set out in section 2 of the Act).

**Directly affected groups (e.g. exporters, agents, producers and packers) in the fynbos industry are kindly requested to submit any comments, in writing, regarding the proposed statutory measures, to the NAMC (e-mail to [mathildavdw@namc.co.za](mailto:mathildavdw@namc.co.za)) on or before 12 April 2024, to enable the Council to finalise its recommendation to the Minister in this regard.**