GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

NO. R. 6128

17 April 2025



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1 April 2025

PRESS RELEASE BY THE NATIONAL AGRICULTURAL MARKETING COUNCIL

REQUEST FOR THE CONTINUATION OF STATUTORY MEASURES RELATING TO LEVIES, REGISTRATIONS AND RECORDS & RETURNS IN THE PORK INDUSTRY, IN TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT (ACT No. 47 OF 1996), AS AMENDED

REQUEST FOR COMMENTS/INPUTS FROM DIRECTLY AFFECTED GROUPS IN THE PORK INDUSTRY

On 1 April 2025, the Minister of Agriculture received a request from the South African Pork Producers' Organisation (SAPPO), in terms of section 10 of the Marketing of Agricultural Products Act, 1996 (Act No.47 of 1996) (MAP Act), for the continuation of statutory measures relating to levies, registrations and records & returns in the pork industry.

SAPPO is a voluntary organisation established by pork producers in 1992 to act as the mouthpiece and representative organisation for pork producers in South Africa. It is proposed that the statutory measures be implemented for a new period of three years from 1 November 2025 to 31 October 2028.

The current statutory measures applicable in the pork industry will expire on 31 October 2025 and are as follows:

- Levies;
- Registrations; and
- Records & Returns.

The purpose and objective of the statutory measures in the pork industry are as follows:

- **Statutory levies**: The payment of the proposed statutory levies will finance the following functions:

| Function | Total percentage of the levy income |
|--|-------------------------------------|
| Business development (Transformation) | 20% |
| Corporate governance (administration) | 10% |
| Business intelligence | 70% |
| Consumer assurance | |
| Consumer education (marketing and communication) | |
| Research and development. | |
| Total | 100% |

The following levy amounts are proposed:

| Pigs slaughtered at abattoirs or live pigs | Current levy (excluding VAT) | Proposed new levy (excluding VAT) * | | |
|--|---------------------------------|-------------------------------------|---------|---------|
| exported | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
| Levy | R15,51 | R15,51 | R15,51 | R15,51 |

*The proposed levy will remain unchanged

The MAP Act stipulates that a statutory levy may not exceed 5% of the price realized 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 proposed statutory levy for the 2025/26 financial year will be 0,59% of the calculated guideline price for a pork carcass (an average over three years) at the first point of sale.

The proposed business plan for the three (3) year period is as follows:

| | 2025/26 FY (R) | 2026/27 FY (R) | 2027/28 FY (R) |
|--------------------------|-------------------|-------------------|-------------------|
| Total levy income | 62,040,000 | 63,280,800 | 64,546,416 |
| Slaughtered/exported | 4,000,000 | 4,080,000 | 4,161,600 |
| Levy | 15,51 | 15,51 | 15,51 |
| Collection fee (4,116%) | (2,553,256) | (2,604,321) | (2, 656,408) |
| Net income | 59,486,744 | 60,676,479 | 61,890,008 |
| Total expenses | 59,486,744 | 60,676,479 | 61,890,008 |
| Business development | 12,194,782 | 12,438,678 | 12,687,452 |
| Corporate governance | 5,472,781 | 5,582,236 | 5,693,881 |
| Business intelligence | 8,625,578 | 8,798,089 | 8,974,051 |
| Consumer assurance | 9,279,932 | 9,465,531 | 9,654,841 |
| Consumer education | 21,474,715 | 21,904,209 | 22,342,293 |
| Research and development | 2,438,956 | 2,487,736 | 2,537,490 |

- **Registrations:** The purpose of this statutory measure in the pork industry is to compel abattoirs slaughtering pigs and exporters of live pigs to register with SAPPO.
- Records & Returns: The purpose of the statutory measure relating to records & returns is to compel abattoirs and exporters of live pigs to render records and returns to SAPPO. These two statutory measures are necessary to ensure that continuous, timeous and accurate market information relating to pigs slaughtered, marketed and live pigs exported is available to all role players. Market information is deemed essential for all role players for them to make informed decisions.

The NAMC believes that the application by the pork industry for the continuation of the proposed statutory measures is consistent with the objectives of the MAP Act (as set out in section 2 of the Act).

Directly affected groups in the pork industry are kindly requested to submit any comments, in writing, regarding the proposed statutory measures to the NAMC on or before 15 May 2025, to enable the NAMC Council to finalize its recommendation to Minister in this regard.

Submissions should be in writing and addressed to:

National Agricultural Marketing Council Private Bag X 935 PRETORIA 0001 Enquiries: Matsobane (BM) Mpyana E-mail: <u>mmpyana@namc.co.za</u> Tel: (012) 341 1115 (076) 154 1354