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## **NEWS STATEMENT BY THE NATIONAL AGRICULTURAL MARKETING COUNCIL**

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### **REQUEST FOR THE ESTABLISHMENT OF STATUTORY MEASURES RELATING TO LEVIES, REGISTRATION AND RECORDS & RETURNS ON IMPORTED CHICKEN PRODUCTS IN TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT**

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#### **REQUEST FOR COMMENTS / INPUTS FROM ROLE PLAYERS IN THE POULTRY INDUSTRY**

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), that the Minister of Agriculture, Forestry and Fisheries has received a request from the Association of Meat Importers and Exporters (AMIE) for the establishment of statutory measures relating to levies, registration, the keeping of records and rendering of returns. The applicant for the proposed statutory measures is AMIE, an association founded in 1996, which was established due to a need by meat and poultry importers and exporters, for a mouthpiece to speak on their behalf and to look after the interests of its members.

AMIE proposed a statutory levy of R 500.00 per container (excluding VAT) on imported chicken products. The proposed levy on the different chicken products will be as follows:

<b>Customs Tariff Classification</b>	<b>Product Description</b>	<b>Levy (VAT exclusive)</b>
0207.12.10	Mechanically Deboned Meat	R500 per container
0207.12.20	Not cut in pieces, Frozen: Carcasses	R500 per container
0207.12.90	Not cut in pieces, Frozen: Other	R500 per container
0207.14.10	Cuts and Offal, Frozen: Boneless cuts	R500 per container
0207.14.20	Cuts and Offal, Frozen: Offal	R500 per container
0207.14.90	Cuts and Offal, Frozen: Bone-in	R500 per container

The estimated income from the proposed statutory levies is approximately R7 million (for 2018/19) per annum and will finance the following functions, namely-

- Development and retention of markets, including the export promotion of South African chicken;
- Liaison, including consumer education;
- Transformation in the industry;
- Research and development;
- Quality control and consumer assurance; and
- Administration.

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. For the proposed statutory levies, the guideline price is determined as follows:

Chicken products vary significantly in price, depending on the cut. The table below contains average prices per cut, at the first point of sale for the last three years.

<b>Chicken Cut</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
Whole birds	R17.48	R17.05	R15.05
Carcasses	R5.66	R5.57	R5.43
MDM	R5.88	R4.00	R6.21
Offal	R8.23	R6.72	R8.87
Boneless	R29.85	R25.97	R28.29
Bone-In	R16.55	R15.90	R15.81

The weighted average selling price at the first point of sale, for all chicken products was as follows:

	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
Weighted average selling price / guideline price	R9.08	R10.51	R11.64
Levy as percentage of guideline price	0.22%	0.19%	0.17%

The purpose of the statutory measure relating to registration is to compel importers of chicken products to register with the levy administrator. AMIE considers appointing Red Meat Levy Administrator (Pty) Ltd, the administrator of the red meat and pork statutory levies, to administer the proposed statutory levies. The compulsory registration of these importers will ensure that accurate information is obtained and will also assist in the collection of the proposed statutory levies on imported chicken products.

The purpose of the statutory measure relating to records & returns is to compel importers of chicken products to render records and returns to the levy administrator. This is necessary to ensure that continuous, timeous and accurate information relating to imported chicken 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 implementation of statutory measures relating to levies, registration, the keeping of records and rendering of returns as requested by AMIE, 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. It is envisaged that explanatory notes regarding the proposed continuation of statutory measures will be published in the *Government Gazette* of 6 October 2017.

**Directly affected groups in the poultry industry are kindly requested to submit any comments, regarding the proposed statutory measures to the NAMC on or before 20 October 2017, 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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