



NEWS STATEMENT BY THE NATIONAL AGRICULTURAL MARKETING COUNCIL

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

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 2c/kg (excluding VAT) on imported chicken products. The proposed levy on the different chicken products will be as follows:

Customs Tariff Classification	Product Description	Levy (excluding Vat)
0207.12.10	Mechanically Deboned Meat	2c/kg
0207.12.20	Not cut in pieces, frozen: Carcasses	2c/kg
0207.12.90	Not cut in pieces, frozen: Other	2c/kg
0207.14.10	Cuts and Offal, frozen: Boneless cuts	2c/kg
0207.14.20	Cuts and Offal, frozen: Offal	2c/kg
0207.14.90	Cuts and Offal, frozen: Bone-in	2c/kg

On 19 August 2014 the National Agricultural Marketing Council (NAMC) had discussions with AMIE and the South African Poultry Association. Eventually it was decided to adhere to the original request of AMIE, namely to include the function of "Trade Promotions" to be financed with the proposed statutory levy income. Trade promotions will facilitate the import of certain chicken products and where possible, the export of other chicken products. The estimated income from the proposed statutory levies is between R5.1 million (for 2014/15) and R5.9

million (for 2017/18) per year. The proposed statutory levies will finance the following functions, namely –

- Trade promotions;
- Quality control & Consumer assurance;
- Liaison, including consumer education;
- Transformation in the industry;
- Research and development; 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.

Chicken Cut	2011	2012	2013
Whole birds	R6.97/kg	R8.33/kg	R14.38/kg
Carcasses	Unavailable	R5.27/kg	R4.93/kg
Mechanically Deboned Meat	R4.41/kg	R4.40/kg	R5.60/kg
Offal	R1.72 /kg	R3.37/kg	R10.37/kg
Boneless	R19.80/kg	R20.85/kg	R24.57/kg
Bone-In	R10.68/kg	R13.15/kg	R14.87/kg

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

	2011	2012	2013
Weighted average selling price for all chicken products	R10.64	R12.19	R13.59
Levy as percentage of selling price (levy 2c/kg)	0.19%	0.16%	0.15%

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 the rendering of returns in the poultry industry 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.

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 19 September 2014, 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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