



PRESS RELEASE
LUCERNE STATUTORY MEASURES
26 JULY 2018

REQUEST FOR THE CONTINUATION AND INCREASE OF STATUTORY LEVIES ON LUCERNE SEED AND LUCERNE HAY IN TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT, ACT NO 47 OF 1996 (MAP ACT) AS AMENDED

INVITATION TO DIRECTLY AFFECTED GROUPS IN THE LUCERNE INDUSTRY TO COMMENT ON THE REQUEST FROM THE NATIONAL LUCERNE TRUST

The statutory levies on lucerne seed and lucerne hay, which were implemented for a period of four years, will lapse on 14 November 2018. These levies (VAT excluded) amount to: 80c per kg on clean seed; R4 per ton for lucerne hay not analysed by a Near Infrared Spectroscopy Instrument (NIR) Instrument; and R6 per ton for lucerne hay analysed by a NIR Instrument.

The National Agricultural Marketing Council (NAMC) received a request from the National Lucerne Trust (NLT), on behalf of directly affected groups in the lucerne industry, for the continuation and increase of statutory levies, to be promulgated as follows (VAT excluded):

LUCERNE PRODUCTS AND PERSONS RESPONSIBLE FOR PAYING THE LEVY	PROPOSED STATUTORY LEVY (VAT Excl)			
	15 Nov 2018 – 14 Nov 2022			
	Year 1 (15 Nov 2018 – 14 Nov 2019)	Year 2 (15 Nov 2019 – 14 Nov 2020)	Year 3 (15 Nov 2020 – 14 Nov 2021)	Year 4 (15 Nov 2021 – 14 Nov 2022)
Cleaned lucerne seed produced for commercial purposes: Payable by the lucerne seed cleaner. May be recovered from the person submitting the lucerne seed concerned for cleaning.	R0.85 per kg	R0.90 per kg	R0.95 per kg	R1.00 per kg

<p>Lucerne hay produced for commercial purposes not analysed by the NIR instrument: Payable by the first lucerne hay dealer dealing with such lucerne hay. May be recovered from the person from whom such lucerne hay is obtained.</p>	R6.50 per ton	R7.00 per ton	R7.50 per ton	R8.00 per ton
<p>Lucerne hay produced for commercial purposes analysed by the NIR instrument: Payable by the owner of the NIR instrument. May be recovered from the person submitting such lucerne hay for analysis.</p>	R6.50 per ton	R7.00 per ton	R7.50 per ton	R8.00 per ton

The request includes that the NLT be responsible for the collection and for the administration functions associated with the proposed statutory levies. Approximately 70% of levy income will be spent on functions such as Research and Development, Information and Technology Transfer, Quality Control and Certification Systems, not more than 10% on administration and at least 20% of total levy income on transformation.

The NLT is committed in developing the long-term sustainability and profitability, as well as the local and international competitiveness of the lucerne industry of South Africa. The estimated income from the proposed levies is between R1.77 million (for 2015/16) and R2.44 million (2016/17) per annum.

The proposed statutory levies will be used to fund, support and coordinate:

- Research and Development to ensure the continuous improvement and innovation with regard to lucerne seed (National Lucerne Evaluation Programme, cultivar development) and lucerne hay (development of the National Lucerne Hay Grading and Quality Scheme);
- Information and Technology Transfer by means of gathering, processing and compiling relevant information, and disseminating the knowledge capital obtained, to ensure that continuous, timeous, and accurate market and product information is available to all industry role players in the South African lucerne value chain;
- Quality Control and Certification Systems to ensure the maintenance of the lucerne seed cleaning, grading and/or classification standards and services, as well as the maintenance and further development of the National Lucerne Hay Grading and Quality Scheme;
- Transformation of previously disadvantaged individuals to ensure the development of emerging farmers to grow and produce commercially in a sustainable way and to extend

their access to marketing opportunities with particular emphasis on enterprise- and skills-development programmes; and

- Close liaison between national, provisional and local government bodies; and local and international role players on industry related issues (imports, exports opportunities, varietal listing and trials) to ensure the overall sustainability of the lucerne industry of South Africa.

As the proposed statutory levies requested by the NLT are consistent with the objectives of the Marketing of Agricultural Products Act, the NAMC will investigate the possible implementation of the relevant statutory levies and make recommendations to the Minister of Agriculture, Forestry and Fisheries.

Directly affected groups in the lucerne industry are kindly requested to submit any comments or objections with regard to the proposed statutory levies to the NAMC in writing (fax 012 341 1911 or e-mail to lizettem@namc.co.za), on or before 10 August 2018, to enable the Council to formulate its recommendation to the Minister in this regard.

Lizette Mellet

Economist: Statutory Measures
National Agricultural Marketing Council
E-mail: lizettem@namc.co.za