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Media Release

FYNBOS INDUSTRY

APPLICATION FOR THE IMPLEMENTATION OF STATUTORY MEASURES

ON EXPORT VOLUMES OF CULTIVATED FYNBOS PRODUCTS

NAMC - REQUEST COMMENTS / INPUTS FROM ROLE PLAYERS IN THE FYNBOS INDUSTRY

On 9 November 2010, the Minister of Agriculture, Forestry and Fisheries received a request from the Protea Producers of South Africa (PPSA), in terms of the Marketing of Agricultural Products Act (MAP Act), Act No 47 of 1996, for the implementation of statutory measures on export volumes of cultivated fynbos products.

It is proposed that the following statutory measures be implemented for four years (1 July 2011 – 30 June 2015):

- Registration;
- Records & Returns; and
- Levies

The purpose and objective of the statutory measures and the payment of the levy amount for the funding of these objectives are as follows:

- **Registration, Records & Returns**
Registration with the PPSA is necessary to assist the PPSA in ensuring that continuous, timeous and accurate technical and other information, relating to the fynbos industry, is available to all role players. Such information is deemed essential for all role players in order for them to make informed decisions. 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.

These measures are necessary to ensure that continuous, timeous and accurate information relating to the fynbos industry, is available to all role players in order for them to make informed decisions.

- **Levy**

The levy is required to fund research projects, technical information and technology transfer; quality control, standards and certification; information and statistics; communication, market access; and transformation and training for the fynbos industry.

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

	2011/12	2012/13	2013/14	2014/15
Standard export carton	R1,60	R1,72,	R1,85	R2,00

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 proposed levy level for the first year (R1,60 per standard export carton), represent less than 1% of the average fynbos value per carton.

It is proposed that HORTGRO^{SERVICES}, a company established in terms of the Companies Act (as amended), 1973 (Act 61 of 1973) implement and administer the proposed statutory measures. HORTGRO^{SERVICES} will ring-fence all fynbos levy income, and report on behalf of PPSA on the utilisation of levy income. The statutory levies for PPSA will be accounted for separately from other funds and activities within by HORTGRO^{SERVICES}, in accordance with the prescriptions of the NAMC and the Auditor General.

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

Directly affected groups (e.g. producers, traders, packers and/or exporters) in the industry are kindly requested to submit any comments, in writing, regarding the proposed statutory measures, to the NAMC on / or before 20 December 2010, to enable the Council to finalise its recommendation to the Minister in this regard.

ENQUIRIES:

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