

BOARD / RAAD

NO. R. 1205

30 SEPTEMBER 2016

MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996 (ACT NO. 47 OF 1996)
**ESTABLISHMENT OF STATUTORY MEASURE AND DETERMINATION OF GUIDELINE
PRICES: LEVIES RELATING TO WHEAT AND BARLEY**

I, Senzeni Zokwana, Minister of Agriculture, Forestry and Fisheries, acting under sections 13 and 15 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), hereby –

- (a) establish the statutory measure set out in the Schedule hereto; and
- (b) determine the guideline price, per metric ton, for –
 - (i) wheat as R3 699.00; and
 - (ii) barley as R3 000.00.


SENZENI ZOKWANA,
Minister of Agriculture, Forestry and Fisheries.

SCHEDULE**Definitions**

1. In this Schedule any word or expression to which a meaning has been assigned in the Act shall have that meaning, and unless the context otherwise indicates –
 - "barley" means the kernels of the genus *Hordeum*;
 - "producer" means a person who produces wheat and/or barley or a person on whose behalf wheat and/or barley is produced;
 - "the Act" means the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996);
 - "wheat" means the kernels of the species *Triticum aestivum*; and
 - "SACTA" means the SA Cultivar and Technology Agency NPC

Purpose and aim of statutory measure and the relation thereof to the objectives of the Act

2. The purpose and aim of this statutory measure are to compensate breeders of wheat and barley varieties for their contribution towards obtaining and utilising improved international agriculture related intellectual property to the benefit of the wheat and barley industries in the Republic of South Africa.

The agricultural sector is expected to ensure food security, strengthen the economy and create job opportunities. This can be reconciled with the provisions of Section 2(3) of the Act. In order to achieve these aims and to further the competitive position of the wheat and barley industries in the Republic of South Africa cultivation of high yielding crops from seed varieties that are most suited for particular regions is essential.

For the optimisation of possible export earnings it is essential that South African products conform to international quality standards and that South African producers of wheat and barley are competitive on the international markets.

A portion of the funds collected by means of the levy will be focussed on small-scale farmers and transformation in the wheat and barley industries in the Republic of South Africa. The seed companies that receive the levy will be responsible for allocating 20% of its proceeds from the levy to transformation initiatives within the company, or to a service provider of its choice, and report back to the NAMC annually.

The statutory measure shall be administered by the SA Cultivar and Technology Agency NPC (SACTA). The levies collected shall be administered in separate accounts for wheat and barley respectively. SACTA shall be audited in accordance with generally accepted accounting practices.

Product to which statutory measure applies

3. This statutory measure shall apply to wheat and barley.

Area in which statutory measure applies

4. This statutory measure shall apply within the geographical area of the Republic of South Africa.

Imposition of levy

5. A levy is hereby imposed on all wheat and barley –
- (a) sold by or on behalf of the producer thereof;
 - (b) processed or converted or caused to be processed or converted into a wheaten or barley product, by or on behalf of the producer thereof, if the wheaten or barley product is intended to be disposed of; and
 - (c) in respect of which a silo receipt has been issued, if the levy in respect of such winter cereal has not already been paid in terms of paragraph (a) or (b).

Amount of levy

6. The amounts of the levies (excluding Value Added Tax) will be as follows:

Commodity	Period	Amount (Excluding Value Added Tax)
Wheat	1/10/2016 to 30/09/2018	R 25.00 per metric ton
Barley	1/10/2016 to 30/09/2018	R 25.00 per metric ton

Persons by whom levies are payable

7. (1) The levy payable in terms of clause 5 shall –
- (a) in the case of a levy contemplated in clause 5(a), be payable by the buyer of the wheat and/or barley;
 - (b) in the case of a levy contemplated in clause 5(b), be payable by the processor or converter of the wheat or barley; and
 - (c) in the case of a levy contemplated in clause 5(c), be payable by the person issuing such silo receipt.
- (2) The amount of the levy payable by the buyer in terms of sub-clause (1)(a) and sub-clause (1)(b) may be recovered from the producer.
- (3) The amount of the levy payable by the person issuing the silo receipt in terms of sub-clause 1(c) may be recovered from the person to whom such silo receipt is issued.

Payment of levy

8. (1) Payment of a levy imposed in terms of clause 5 shall be made by the persons contemplated in clause 7 not later than the last day of the month following the month in which the wheat or barley has been delivered, sold, processed or converted.

- (2) Payment shall be made in favour of the SA Cultivar and Technology Agency NPC.
- (3) Payment shall –
- (a) when forwarded by post, be addressed to –
- The SA Cultivar and Technology Agency NPC
P O Box 74087
LYNNWOOD RIDGE
0040
- (b) when delivered by hand, be delivered to –
- The SA Cultivar and Technology Agency NPC
Alenti Office Park (Block C)
457 Witherite Street
THE WILLOWS
Pretoria
0184

Conditions of approval

9. This statutory measure is subject to the following conditions:
- That 70% of levy income be spent on breeding and technology, at least 20% on transformation, in line with the NAMC's new guidelines, and less than 10% on administration;
 - That levies be accounted for, in a manner and to the extent acceptable to the Auditor General, separately from any other funds or assets under the control of SACTA, and be audited by the Auditor General;
 - That after the lapsing of the levy, any surplus funds only be utilised after the approval of the Minister was obtained; and
 - That the NAMC has observer status on the meetings of SACTA to ensure compliance with the original intent of the application.

Commencement and period of validity

10. (1) This statutory measure shall come into operation on 1 October 2016 and shall lapse on 30 September 2018.
- (2) Notwithstanding the provisions of sub-clause (1), the Minister may, after evaluation and review of the measure under section 9(1)(f) of the Act, by notice in the Government Gazette determine that the measure shall lapse on a date specified in that notice: Provided that such date shall not be later than the date determined under sub-clause (1).