

GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES

NOTICE 310 OF 2016



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**TABLE GRAPE INDUSTRY
 APPLICATION FOR THE CONTINUATION OF STATUTORY MEASURES**

NAMC REQUESTING COMMENTS / INPUTS FROM INDUSTRY ROLE PLAYERS

On 17 May 2016, the Minister of Agriculture, Forestry and Fisheries received a request from the South African Table Grape Industry (SATI) for the continuation of statutory measures (levies, records & returns and registration) on table grapes produced, inspected and passed for export, in terms of the Marketing of Agricultural Products Act (MAP Act), 1996. The current statutory measures will expire on 31 October 2016.

This SATI application follows after a referendum was held to determine grower support for the new levy proposal. By the close of the referendum period 80,39% of votes were cast of which 97,74% voted yes.

Currently, the following statutory measures are applicable, and it is proposed that a new four year period be implemented, on table grapes intended for export, namely the-

- Payment of levies (in terms of section 15 of the MAP Act);
- Keeping of records & returns (section 18); and
- Registration of directly affected groups (DAGs) (section 19).

The purpose and objective of the statutory measures relating to **records & returns and registration** are to compel DAGs in the table grapes industry to register with SATI. By combining compulsory registration with the keeping of information and the rendering of returns on an individual basis, information for the whole of the industry can be processed and disseminated and will form the basis for the collection of levies. This is necessary to ensure that continuous, timeous and accurate information is available to all role players.

The **payment of the levy**, will be used to finance the following:

- Market Access;
- Research and Technology Transfer;
- Communication and Stakeholder Engagement;
- Information and Knowledge Management;
- Technical Support;
- Finance and Administration;
- Transformation; and
- Human Capacity and Skills Development.

The current and proposed levy amounts (excluding VAT) are as follows:

Table grapes	Current levy	Proposed new levy amount			
	2016	2017	2018	2019	2020
Cents per 4.5 kg carton (c/carton)	36 c/carton	41,5 c/carton	44 c/carton	46,5 c/carton	49 c/carton
Cents per kilogram (c/kg)	8 c/kg	9,22 c/kg	9,78 c/kg	10,33 c/kg	10,89 c/kg
Rand per kilogram (R/kg)	R0.08/kg	R0.0922/kg	R0.0978/kg	R0.1033/kg	R0.1089/kg

Proposed business plan for the four (4) year period:

	Revised Budget	PLAN	PLAN	PLAN	PLAN	Total over 4 Years	
	2015 / 2016	2016 / 2017	2017 / 2018	2018 / 2019	2019 / 2020		
Opening balance	R 7 306 869	R 1 513 188	R 1 257 768	R 987 022	R 700 032		
Average annual export volume (4.5 kg equivalent)	56 800 000	60 450 000	60 450 000	60 450 000	60 450 000		
Proposed levy (cents / kerton, 4.5 kg equivalent)	36,0	41,5	44,0	46,5	49,0		
Proposed levy (cents / kg)	8,00	9,22	9,78	10,33	10,89		
Escalation (average 5.7% per annum over 4 years)			6,0%	5,7%	5,4%		
Income (Statutory levies)	R 20 448 000	R 25 086 750	R 26 598 000	R 28 109 250	R 29 620 500	R 109 414 500	
Expenditure	R 26 241 681	R 25 342 170	R 26 868 746	R 28 396 240	R 29 924 710	R 110 531 866	% of Levy
Programmes							
Market Access - Technical	R 2 448 026	R 2 848 026	R 3 018 908	R 3 200 042	R 3 392 045	R 12 459 022	11,4%
Research and Technology Transfer	R 7 701 307	R 6 453 204	R 6 844 628	R 7 196 065	R 7 505 115	R 27 999 012	25,6%
Communication and Stakeholder Engagement	R 2 720 428	R 2 220 428	R 2 353 654	R 2 494 873	R 2 644 566	R 9 713 521	8,9%
Information and Knowledge Management	R 3 118 603	R 2 418 603	R 2 563 720	R 2 717 543	R 2 880 595	R 10 580 461	9,7%
Transformation	R 3 801 270	R 5 017 350	R 5 319 600	R 5 621 850	R 5 924 100	R 21 882 900	20,0%
Human Capacity and Skills Development	R 1 162 723	R 1 162 723	R 1 232 486	R 1 306 435	R 1 384 821	R 5 086 465	4,6%
Technical Support	R 3 063 161	R 2 713 161	R 2 875 950	R 3 048 507	R 3 231 418	R 11 869 036	10,8%
Finance and Administration	R 2 226 164	R 2 508 675	R 2 659 800	R 2 810 925	R 2 962 050	R 10 941 450	10,0%
Surplus / Deficit	R -5 793 681	R -255 420	R -270 746	R -286 990	R -304 210		
Closing balance	R 1 513 188	R 1 257 768	R 987 022	R 700 032	R 395 822		

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

Directly affected groups (e.g. producers, packers and exporters) in the table grape industry are kindly requested to submit any comments, in writing, regarding the proposed statutory measures, to the NAMC on or before 24 June 2016, to enable the Council to finalise its recommendation to the Minister in this regard.

ENQUIRIES:

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