



FRUIT INDUSTRY

REQUEST FOR A PER HECTARE STATUTORY LEVY TO FUND THE AREA WIDE MEDITERRANEAN FRUIT FLY CONTROL (MEDFLY) PROGRAMME

NAMC REQUESTING COMMENTS / INPUTS FROM INDUSTRY ROLE PLAYERS

On 8 June 2020, the Minister of Agriculture, Land Reform and Rural Development received a request from FruitFly Africa (Pty) Ltd (FFA) for the implementation, of a per hectare statutory levy to continue the funding of the area wide Mediterranean fruit fly (*Ceratitis capitata*) (Medfly) control programme, in selected production regions, for a new four year period, namely 2020/21 - 2023/24. The current statutory levy will expire on 22 September 2020.

If approved this will be a separate and differentiated levy, meaning that the existing statutory levies in the fruit industry (to finance research, information, transformation etc) will remain unchanged. **It is proposed that the differentiated levy be introduced, in the respective production regions based on the needs and unique requirements in terms of international best practice and tailor-made strategies for such areas.**

The Medfly programme, is managed in conjunction with the Department of Agriculture, Land Reform & Rural Development (DALRRD) which co-fund the operational expenses via a Public Private Partnership arrangement between the Department and the participating producers for the past 12 years. Producers are represented by area coordinating committees and the various national deciduous fruit industry commodity organisations.

Internationally, fruit flies are proclaimed quarantine pests and their presence in a country can hinder free trade in terms of fruit exports. Some of South Africa's main deciduous fruit and table grape production areas are in the Western, Eastern and Northern Cape Provinces. Medfly is the most prevalent economically important fruit fly species. FFA is also monitoring for another prevalent threat, namely the Oriental fruit fly (*Bactrocera dorsalis*), which is not yet present in these areas. Commercial and small-scale farmers, as well as informal communities are affected by these species and supported via FFA.

It is proposed that the differentiated levy be introduced in the respective production regions based on the needs and unique requirements in terms of international best practice and tailor-made strategies for such areas. The proposed strategy includes the Sterile Insect Technique at various stages of implementation as agreed with the producers in such areas.

The areas that agreed to be included during this levy cycle, of the envisaged ultimate industry-wide roll of the programme, are:	2020/21	2021/22	2022/23	2023/24
Langkloof (Noll, Avontuur, Misgund, Louterwater) R p/ha	1 071,00	1 135,00	1 203,00	1 276,00
Lower Orange River R p/ha	1 005,00	1 065,00	1 129,00	1 197,00
Elgin-Grabouw R p/ha	1 317,00	1 396,00	1 480,00	1 569,00
Vyeboom (including Eerstehoop) R p/ha	1 133,00	1 201,00	1 273,00	1 349,00
Hemel & Aarde R p/ha	1 157,00	1 226,00	1 300,00	1 378,00
Warm Bokkeveld R p/ha	1 292,00	1 370,00	1 452,00	1 539,00
Wolseley R p/ha	1 308,00	1 386,00	1 470,00	1 558,00
Tulbagh R p/ha	1 550,00	1 643,00	1 742,00	1 846,00
Hex River Valley (Including De Wet & Brandwacht) R p/ha	1 502,00	1 592,00	1 688,00	1 789,00
Lower Orange River – Dried Grapes (c/kg – Dried)	7	11	12	13

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

The business plan provides for a 23% and 77% split contribution from DALRRD and producers respectively according to the following proposed schedule for the new four (4) year period:

	DALRRD	Producers	Annual Sub-total
2020/21	R15 851 000	R50 807 026	R66 658 026
2021/22	R16 802 060	R57 112 984	R73 915 044
2022/23	R17 810 184	R61 420 284	R79 230 468
2023/24	R19 591 202	R66 056 464	R85 647 666
Total	R70 054 446	R235 396 758	R305 451 204

Directly affected groups (e.g. producers, packers and exporters) in the fruit industry are kindly requested to submit any comments, in writing, regarding the proposed statutory levy, to the NAMC on or before 10 July 2020, to enable the Council to finalise its recommendation to the Minister in this regard.

ENQUIRIES:

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