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

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### NAMC REQUESTING COMMENTS / INPUTS FROM INDUSTRY ROLE PLAYERS

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On 27 May 2020, the National Agricultural Marketing Council (NAMC) 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 27 October 2020.

Currently, the following statutory measures are applicable, and it is proposed that a new four year period be implemented, 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 also 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 and development (28%);
- Information, systems and communication (19%);
- Research and technology transfer (23%);
- Transformation and training (24%); and
- Administration (6%).

The current and proposed levy amounts, which will increase with approximately 3,6 cents per carton (c/carton) per year, over the next four years, (excluding VAT) are as follows:

Table grapes	Current levy	Proposed new levy amount (6.7% average annual increase)			
	2019/20	2020/21	2020/21	2020/21	2020/21
Cents per 4.5 kg carton	49.0 c/carton (10.88 c/kg)	52.3 c/carton (11.62 c/kg)	55.8 c/carton (12.4 c/kg)	59.5 c/carton (13.22 c/kg)	63.5 c/carton (14.11 c/kg)

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).

Proposed budget for the new four (4) year period:

INCOME	Financial year 2021	Financial year 2022	Financial year 2023	Financial year 2024	Total
Budgeted volumes (4,5 kg cartons)	65 450 000	65 450 000	65 450 000	65 450 000	261 800 000
Levy rate (cents per 4,5 kg carton)	52,30	55,80	59,50	63,50	
Levy income	R34 230 350	R36 521 100	R38 942 750	R41 560 750	R151 254 950
<b>Total Income</b>	<b>R34 230 350</b>	<b>R36 521 100</b>	<b>R38 942 750</b>	<b>R41 560 750</b>	<b>R151 254 950</b>

EXPENDITURE (per functional focus area)	Financial year 2021	Financial year 2022	Financial year 2023	Financial year 2024	Total Levy Expenditure	% Levy Allocation
Market Access & Development	R10 746 234	R11 269 415	R10 907 534	R9 624 217	R42 547 400	28%
Information, Systems & Communication	R6 650 026	R6 897 283	R7 380 334	R7 657 784	R28 585 427	19%
Transformation	R6 846 070	R7 304 220	R7 788 550	R8 312 150	R30 250 990	20%
Training	R1 383 944	R1 466 981	R1 554 999	R1 648 299	R6 054 224	4%
Research & Technology	R7 899 321	R8 373 281	R8 875 678	R9 408 217	R34 556 497	23%
Administration	R2 116 851	R2 243 862	R2 378 495	R2 521 204	R9 260 413	6%
<b>Total Expenditure</b>	<b>R35 642 445</b>	<b>R37 555 042</b>	<b>R38 885 590</b>	<b>R39 171 872</b>	<b>R151 254 950</b>	<b>100%</b>

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 19 June 2020, to enable the Council to finalise its recommendation to the Minister in this regard.

**ENQUIRIES:**

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