

## NEWS STATEMENT BY THE NATIONAL AGRICULTURAL MARKETING COUNCIL

### REQUEST FOR THE CONTINUATION OF STATUTORY MEASURES RELATING TO LEVIES, REGISTRATIONS AND RECORDS & RETURNS IN THE MACADAMIA INDUSTRY, IN TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT

#### REQUEST FOR COMMENTS / INPUTS FROM ROLE PLAYERS IN THE MACADAMIA INDUSTRY

On 20 May 2022, Macadamias South Africa (SAMAC), on behalf of directly affected groups in the macadamia industry, applied to the Minister of Agriculture, Land Reform and Rural Development, for the establishment of the statutory measures (levies, registrations and records & returns) on macadamias (both in nurseries and in the field) for a four year period.

SAMAC applied for the following statutory measures:

Statutory measure	Product	Affected groups
Payment of Levies to SAMAC	Macadamia nuts	Producers Processors Consolidators Importers Exporters
Registrations with SAMAC;	Macadamia nuts; and Macadamia products for sale as nut in shell.	Producers Processors Consolidators Importers Exporters Nurseries
Keeping of records; and submission of returns to SAMAC	Macadamia nut (in shell and kernel) Macadamia trees; Domestic production and processing; and Volumes imported and exported.	Producers Processors Consolidators Importers Exporters Nurseries

The proposed levy is needed by SAMAC to finance the following functions, namely -

- i) Collection, processing and dissemination of reliable production and market information.
- ii) Production, post-harvest, product and market research.
- iii) Technology transfer.
- iv) Stimulation of consumption of macadamia nuts.
- v) Determination of quality standards.
- vi) Liaison with local and international governments, organisations and interested groups.
- vii) Promotion of co-operation between growers, handlers, processors and other industry role players.
- viii) Promotion of market access including gaining, retaining and optimising markets.
- ix) Facilitation of transformation within the industry.
- x) Medical and other research to promote the health aspects of macadamia nut consumption.
- xi) Benchmarking and determination of best practices.

The current and proposed statutory levies on dry nut in shell (DNIS) (excluding VAT) are as follows:

	Current levy	Proposed levy				
<b>Period*</b>	15/11/2022 to 15/11/2023	15/11/2022 to 28/02/2023	1/03/2023 to 28/02/2024	1/03/2024 to 28/02/2025	1/03/2025 to 28/02/2026	1/03/2026 to 28/02/2027
<b>Levy per kg NIS at NIS industry standard</b>	R0.68	R0.68	R0.68	R0.70	R0.72	R0.74

\*Please note that the statutory measures period has been aligned with SAMAC's financial year.

The proposed levy for the first year (R0.68 p/kg DNIS), would represent approximately 0.91% of the domestic producers' selling price (first point of sale).

The proposed business plan for the four (4) year period, is as follows:

	2023/24	2024/25	2025/26	2027/28
<b>Total Estimated Income</b>	R40 800 000	R43 400 000	R46 080 000	R48 840 000
Research Programmes (20%)	R15 708 000	R16 709 000	R17 740 800	R18 803 400
Market Development (17%)	R6 732 000	R7 161 000	R7 603 200	R8 058 600
Transformation Development (20%)	R8 160 000	R8 680 000	R9 216 000	R9 768 000
Industry Projects (15%) (Inspectors fees, production benchmark, farmers' crime support desk and macadamia industry days)	R6 120 000	R6 510 000	R6 912 000	R7 326 000
Administration (10%)	R4 080 000	R4 340 000	R4 608 000	R4 884 000
<b>Total Estimated Expenditure</b>	<b>R40 800 000</b>	<b>R43 400 000</b>	<b>R46 080 000</b>	<b>R48 840 000</b>

Registration, records and returns are necessary to:

- Ensure the availability and provision of continuous, timeous and accurate information relating to macadamia nuts and macadamia nut products to all stakeholders in the industry, which is essential in ensuring informed decision making and a stable and profitable industry;
- Ensure adherence to sound product handling, quality control systems and ethical trading; as well as transformation of the industry, and
- Administer the proposed levy.

The establishment of these statutory measures will assist in promoting the efficiency of the marketing of macadamia nuts and its products. The viability of the macadamia nuts industry should thus be enhanced. The measures will not be detrimental to the number of employment opportunities or to fair labour practices. Any information obtained will be dealt with in a confidential manner and no sensitive client-specific information will be made available to any party without the prior approval of the party whose rights may be affected.

Directly affected groups in the macadamia nut industry are kindly requested to submit any comments regarding support or objections relating to the proposed establishment of statutory measures to the NAMC in writing (e-mail to [mathildavdw@namc.co.za](mailto:mathildavdw@namc.co.za)) before or on 24 June 2022, to enable the Council to finalise its recommendation to the Minister in this regard.