
NEWS STATEMENT BY THE NATIONAL AGRICULTURAL MARKETING COUNCIL

POTATO INDUSTRY - APPLICATION FOR THE CONTINUATION OF STATUTORY MEASURES

REQUEST FOR COMMENTS / INPUTS FROM ROLE PLAYERS

On 23 November 2022, the Minister of Agriculture, Land Reform and Rural Development received a request from Potatoes South Africa (PSA) for the continuation of statutory measures in the potato industry for a new term of four years. The existing statutory measures will expire on 30 June 2023, and it is proposed that the new period be from 1 July 2023 and to lapse on 30 June 2027.

The PSA requested the introduction and promulgation of the following statutory measures in the potatoes industry:

- Section 15 of the Marketing of Agricultural Products Act (MAP): Levies relating to potatoes;
- Section 18 of the MAP Act: Records and returns; and
- Section 19 of the MAP Act: Registration.

The proposed statutory measure relating to registration of the relevant role players with PSA is necessary to assist the administrator to ensure that continuous, timeous and accurate market information relating to the potato industry is available to all role players.

The proposed statutory measure relating to records and returns to be submitted to PSA is necessary to ensure continuous, timeous and accurate market information.

The proposed statutory levy will finance:

- Transformation, inclusive of black economic empowerment, e.g. by creating market access for emerging farmers (small and medium scale) as well as development projects related to the potato production and marketing chain.
- Basic as well as applied agricultural research, including potato cultivar evaluation, and the dissemination of all relevant technical information.
- The gathering, processing, analysing and compiling of industry related information, including market statistics, and the dissemination thereof.
- Marketing, inclusive of the development of foreign markets for South African potatoes and generic product promotion.
- The levy administration services rendered by the appointed administrator.

The proposed statutory levies for the four year period are as follows:

Commodity	2022/23 Current levy amount	2023/2024	2024/2025	2025/2026	2026/2027
	c/kg				
Table potatoes	2,290	2.370	2.450	2.529	2.609
Seed potatoes	0,910	0.942	0.973	1.005	1.037
Potatoes for processing	1,074	1.112	1.149	1.186	1.224
Potatoes for export	2,290	2.370	2.450	2.529	2.609
Imported potatoes	1,617	1.674	1.730	1.786	1.842

NB: The differentiation in the levy payable by the various commodities is based on the services received. For example, seed potatoes will benefit to a lesser extent from generic product promotion, research and information.

The MAP Act stipulates that a statutory levy may not exceed 5% of the price realised for a specific agricultural product at the first point of sale. The maximum of 5% must be based on a guideline price calculated as the average price at the first point of sale over a period not exceeding three years. The proposed guideline prices are calculated as follows:

The calculated guideline prices and the proposed levies as a percentage of the guideline price, are as follows:

Commodity	Guideline price (average 2019 -2021 price) (R/kg)	Levies as percentage of guideline prices			
		2023/2024	2024/2025	2025/2026	2026/2027
Table potatoes	4,78	0,5%	0,5%	0,5%	0,5%
Seed potatoes	11,00	0,9%	0,9%	0,1%	0,1%
Potatoes for processing	3,83	0,3%	0,3%	0,3%	0,3%
Potatoes for Export	4,78	0,5%	0,5%	0,5%	0,5%
Imported potatoes (FOB)	10,09	0,2%	0,2%	0,2%	0,2%

From the above it is clear that the guideline price is well below the 5% as prescribed by the MAP Act. For the 2023/24 financial year, PSA is expected to collect R61 769 889 million to finance generic functions in the potato industry.

The NAMC believes that the continuation of the proposed statutory measures is consistent with the objectives of the MAP Act (as set out in section 2 of the Act).

Directly affected groups in the potato industry is 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) before or on 13 January 2023, to enable the Council to finalise its recommendation to the Minister in this regard.