

APPLICATION FOR THE CONTINUATION AND AMENDMENT OF STATUTORY MEASURES IN THE SOUTH AFRICAN PECAN NUT INDUSTRY, IN TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT, ACT NO 47 OF 1996

INVITATION TO DIRECTLY AFFECTED GROUPS IN THE PECAN NUT INDUSTRY TO COMMENT ON THE REQUEST FROM THE SOUTH AFRICAN PECAN NUT PRODUCERS' ASSOCIATION

On 24 May 2023, the South African Pecan Nut Producers' Association (SAPPA), on behalf of the directly affected groups in the pecan nut industry, applied to the Minister of Agriculture, Land Reform and Rural Development and the National Agricultural Marketing Council (NAMC), for the approval of the proposed continuation of the following statutory measures, for a four-year period:

- The **registration** of all producers, growers, processors, packers, importers and exporters of pecan nuts and/or pecan nut products.
- The **keeping of records and submission of returns** by all producers, processors, importers and exporters of pecan nuts and pecan nut products as well as growers of pecan nut trees, as may be required by SAPPA, relating to:
 - The number of pecan nut trees supplied to producers;
 - The volume of pecan nuts and/or pecan nut products produced;
 - The volume of pecan nuts and/or pecan nut products imported and/or exported; and
 - The volume of pecan nuts and/or pecan nut products processed by processors.
- Furthermore, that the current statutory **levies** on pecan nuts and pecan nut products, that will lapse on 29 February 2024, be continued and amended to the following levy rates per kg (excluding VAT) for the next four year period:

	Current rate to 29 February 2024	1 March 2024 to 28 February 2025	1 March 2025 to 28 February 2026	1 March 2026 to 28 February 2027	1 March 2027 to 29 February 2028
In-shell pecan nuts	40 c/Kg	42 c/Kg	44 c/Kg	46 c/Kg	48 c/Kg
Pecan nut kernels	80 c/Kg	84 c/Kg	88 c/Kg	92 c/Kg	96 c/Kg

These proposed levies will be payable to SAPPA by:

- (a) a processor, packer or exporter on behalf of the producer from which such pecan nuts have been procured in respect of all pecan nuts processed, packed or exported;
- (b) a processor or packer on behalf of a producer in respect of all pecan nuts sorted and/or cleaned and/or shelled and/or packed and/or processed for and returned to such a producer;
- (c) an importer on all pecan nuts and pecan nut products imported; and
- (d) a producer who packs his own pecan nuts or pecan nut products for retail sale.

If supported and approved, this could create an income of between R13.7 million and R22.2 million per year over the next four years based on a pecan nut production estimate of between 28 000 tons and 46 000 tons per year. SAPPA proposed that approximately 27% of levy funds be used to fund research projects; 18% on market information and statistics; at least 20% on transformation; and the rest on market development and market access, on behalf of the pecan nut industry. The proposed levies would represent approximately 0.5% of the domestic producers' selling price (first point of sale) of pecan nuts.

Registration, records and returns to SAPPA are necessary to:

- Ensure the availability and provision of continuous, timeous and accurate information relating to locally produced and imported pecan nuts and pecan 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.

No records or returns shall be required in terms of this measure which discloses confidential information of a marketing nature, and in particular, no returns disclosing, *inter alia*, contracting parties; purchasers of pecan nut products; prices of services or the prices obtained for products, or any similar information.

The proposed continuation and amendment of statutory measures will assist in promoting the efficiency of the marketing of pecan nuts and pecan nut products. The viability of the pecan nuts industry would thus be enhanced. The proposed statutory measures will not be detrimental to the number of employment opportunities or fair labour practice.

Directly affected groups in the pecan nut industry are kindly requested to submit any support or objections relating to the proposed continuation and amendment of statutory measures to the NAMC in writing (e-mail to lizettem@namc.co.za) before or on 15 June 2023, to enable the Council to finalise its recommendation to the Minister in this regard.