



NAMMC

Promoting market access for South African agriculture



STATUS REPORT ON STATUTORY MEASURES

IMPLEMENTED IN TERMS OF THE MARKETING OF
AGRICULTURAL PRODUCTS ACT, **ACT NO. 47 OF 1996**

2024 SURVEY





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1. SUMMARY

The Marketing of Agricultural Products Act, 1996 (No. 47) (MAP Act), as amended, establishes provisions for implementing statutory measures. Section 9 of the MAP Act directs that the National Agricultural Marketing Council (NAMC) must monitor the application of statutory measures and report thereon to the Minister and shall evaluate and review these at least every two years. Since 2001, the NAMC has conducted an annual review of all statutory measures implemented in terms of the MAP Act.

A “statutory measure” includes a levy contemplated in Section 15 of the MAP Act, control of exports of agricultural products (Section 16), records and returns (Section 18), and registration (Section 19). Since 1997, statutory measures, namely levies, records and returns, and registration, have been approved by the Minister responsible for agriculture (hereafter referred to as the Minister) and promulgated in the Government Gazette for specific agricultural products and for defined time periods. The control of exports of agricultural products (Section 16) has not, to date, been requested or implemented.

The previous report (2023 Review on Statutory Measures) was a very detailed report that included all the stipulations in the MAP Act related to directly affected groups and statutory measures, the objectives of the MAP Act and its relation to these measures, standard operating procedures and timeframes in investigating applications for such measures, policy guidelines of the NAMC on functions to be financed by statutory levies, and a detailed summary of all these levies implemented as an Annexure.

The previous report focused on registration, records, and returns, which are statutory measures used to collect and disseminate industry information. It also addressed their importance and relevance, particularly in the grains and oilseeds sectors.

This report (2024 Review on Statutory Measures), compiled by the NAMC for submission to the Minister, focuses only on the various levies collected (23 different levies) by the 21 agricultural industries concerned, including the activities funded by statutory levy income. The deciduous fruit industry has three levies: a general levy, a market development levy, and a fruit fly levy.

A statutory levy is a charge per unit of an agricultural commodity at any point in the marketing chain between the producer and the consumer, which is collected to finance specific functions within the particular industry, such as research, market access, information and transformation. It should be noted that although transformation is a key function mentioned in this report, details on related expenditures and funded projects are addressed in a separate NAMC report to the Minister.

Levies are payable by specific directly affected groups (usually producers and/or exporters and importers) in a particular industry. The point of collection is, in most cases, at the first point of sale. Therefore, the revenue is influenced by crop size, agricultural trade, and, to some extent, the collection success rate.

Statutory measures, specifically levies, are essential for the growth of the relevant agricultural industries through effective information management and communication and the collection of funds to finance much-needed functions. The levy administrators’ total funds collected through statutory levies in the 2024 survey amounted to approximately R1.149 billion, 6.9% higher than the R1.075 billion in the 2023 survey.

The 2024 survey shows that approximately R1.106 billion was spent on industry functions, which represents an increase of 8.2% compared to the R1.022 billion expenditure in the 2023 survey. Of the total amount, about 44.6% was allocated to research, 10.6% to export promotion/market access, and 8.1% to information. About 20.4% (R225.7 million) was spent on transformation projects. It is important to note that all the figures analysed in this 2024 survey were obtained from the relevant audited financial statements as received from levy administrators.

The NAMC’s findings on the status of statutory measures promulgated in terms of the MAP Act, as verified by the latest audited financial statements for each levy administrator, are hereby presented to the Minister.

2. STATUTORY LEVIES

2.1. LEVIES REVIEWED IN THE 2024 SURVEY

The details of the different administrating bodies that were responsible for statutory levy collection and dissemination in the specific financial year reported on in this survey, as well as the levy terms applicable, are summarised as follows:

Table 1: STATUTORY LEVIES REVIEWED – 2024 SURVEY

Product	Administering body	Financial statements	Measure introduced	Measure lapses	Duration
Citrus	SA Citrus Growers' Association (CGA)	Apr 2023 – Mar 2024	1 Jan 2021	31 Dec 2024	4 years
Cotton lint	Cotton SA	Apr 2022 – Mar 2023	1 April 2022	31 Mar 2026	4 years
Dairy	Milk SA	Jan 2023 – Dec 2023	1 Jan 2023	31 Dec 2027	4 years
Deciduous fruit - Pome and stone fruit & market development - Fruit Fly	HORTGRO	Oct 2022 – Sep 2023	6 Nov 2019	6 Nov 2023	4 years
	FruitFly Africa (FFA)	Jul 2022 – Jun 2023	23 Sep 2020	23 Sep 2024	4 years
Dried vine fruit	Raisins South Africa	Jan 2023 – Dec 2023	28 Oct 2020	28 Oct 2024	4 years
Fynbos (proteas)	Cape Flora SA	Mar 2023 – Feb 2024	29 Apr 2020	29 Apr 2024	4 years
Lucerne	National Lucerne Trust	Sep 2022 – Aug 2023	30 Nov 2018	14 Nov 2022	4 years
Lupines	SA Cultivar and Technology Agency (SACTA)	Mar 2023 – Feb 2024	1 Oct 2023	30 Sep 2025	2 years
Macadamias	Macadamias South Africa Non-Profit Company	Mar 2023 – Feb 2024	15 Nov 2022	28 Nov 2027	5 years
Olives	South African Olive Industry Association	Nov 2022 – Oct 2023	20 Nov 2020	20 Nov 2024	4 years
Pecans	SA Pecan Nut Producers' Association	Mar 2023 – Feb 2024	1 Mar 2020	1 Mar 2024	4 years
Pomegranates	Pomegranate Association of SA	Sep 2022– Aug 2023	1 Jan 2020	1 Jan 2024	4 years
Pork	SA Pork Producers' Organisation	Jan 2023 – Dec 2023	1 Nov 2022	31 Oct 2025	3 years
Potatoes	Potatoes SA	Jul 2022 – Jun 2023	1 Jul 2019	1 Jul 2023	4 years
Red meat	Red Meat Levy Admin	Mar 2022 – Feb 2023	4 Nov 2022	4 Nov 2026	4 years
Meat and poultry import and export *	Association of Meat Importers & Exporters South Africa (AMIE)	Oct 2022 - Sep 2023	24 Mar 2023	24 Mar 2027	4 years
Soybeans	SACTA	Mar 2023 – Feb 2024	1 Mar 2023	28 Feb 2025	2 years
Table eggs	Table Egg Levy Admin	Jan 2023 – Dec 2024	1 Apr 2022	31 Mar 2026	4 years
Table grapes	South African Table Grape Industry	Nov 2022 – Oct 2023	28 Oct 2020	28 Oct 2024	4 years
Wine and grapes	SAWIS, WINETECH, WOSA and SAWITU	Jan 2023 – Dec 2023	1 Jan 2022	31 Dec 2025	4 years
Winter cereals	SACTA	Mar 2023 – Feb 2024	1 Oct 2023	30 Sep 2026	3 years

***New statutory measures in the meat industry:**

In May 2022, the Association of Meat Importers and Exporters (AMIE) applied to the Department of Agriculture, Land Reform and Rural Development (DALRRD) to implement a statutory levy for Beef, Pork, Lamb, and Poultry, including Mechanically Deboned Meat (MDM) imported into South Africa. On 10 February 2023, the then Minister of Agriculture, Land Reform and Rural Development approved AMIE's request to implement statutory measures relating to levies, registration and records & returns on imported meat and poultry products for four years. The statutory measures were published in the Government Gazette dated 24 March 2023.

Previously, AMIE was primarily funded by membership fees. As an industry-critical organisation, the executive deems the statutory levy a strategic income stream paramount in the continued development and sustainability of the protein import and export sector and food security of South Africa. The levy is based on 1c (one cent) per kilogram for Beef, Pork, Lamb, and Poultry, including Mechanically Deboned Meat (MDM) for all imports into the country. Payable by the importer before import permit issuance, this system ensures timely levy payments. Like many other industries in South Africa, the meat import and export sector experienced a challenging year. Infrastructure challenges, port backlogs, electricity grid instability, climate impacts, disease and socio-political uncertainty here and abroad all combined impacted the industry and adjacent industries. Despite these circumstances, exports in specific agricultural sectors have grown. AMIE is very strategically positioned in the food value chain. The organisation brings together government agencies, agricultural, agri-processing, trade and investment, and the business sector, spanning the complete value chain of meat imports and exports, including cold storage, logistics, freight forwarding, and retailers. The levy has allowed AMIE to operationalise its vision of exceeding members' expectations through strategic solutions and innovative thinking, fostering sustainable growth in the meat and poultry import and export sector.

The functions funded by AMIE as identified under the objectives of the Marketing of Agricultural Products Act, 47 of 1996 are as follows: Transformation (20%), Development and retention of markets (27%); Research and Development (9%); Consumer Education (9%); Quality Control and Consumer Assurance (27%); and Administration (10%).

2.2. TOTAL LEVY INCOME

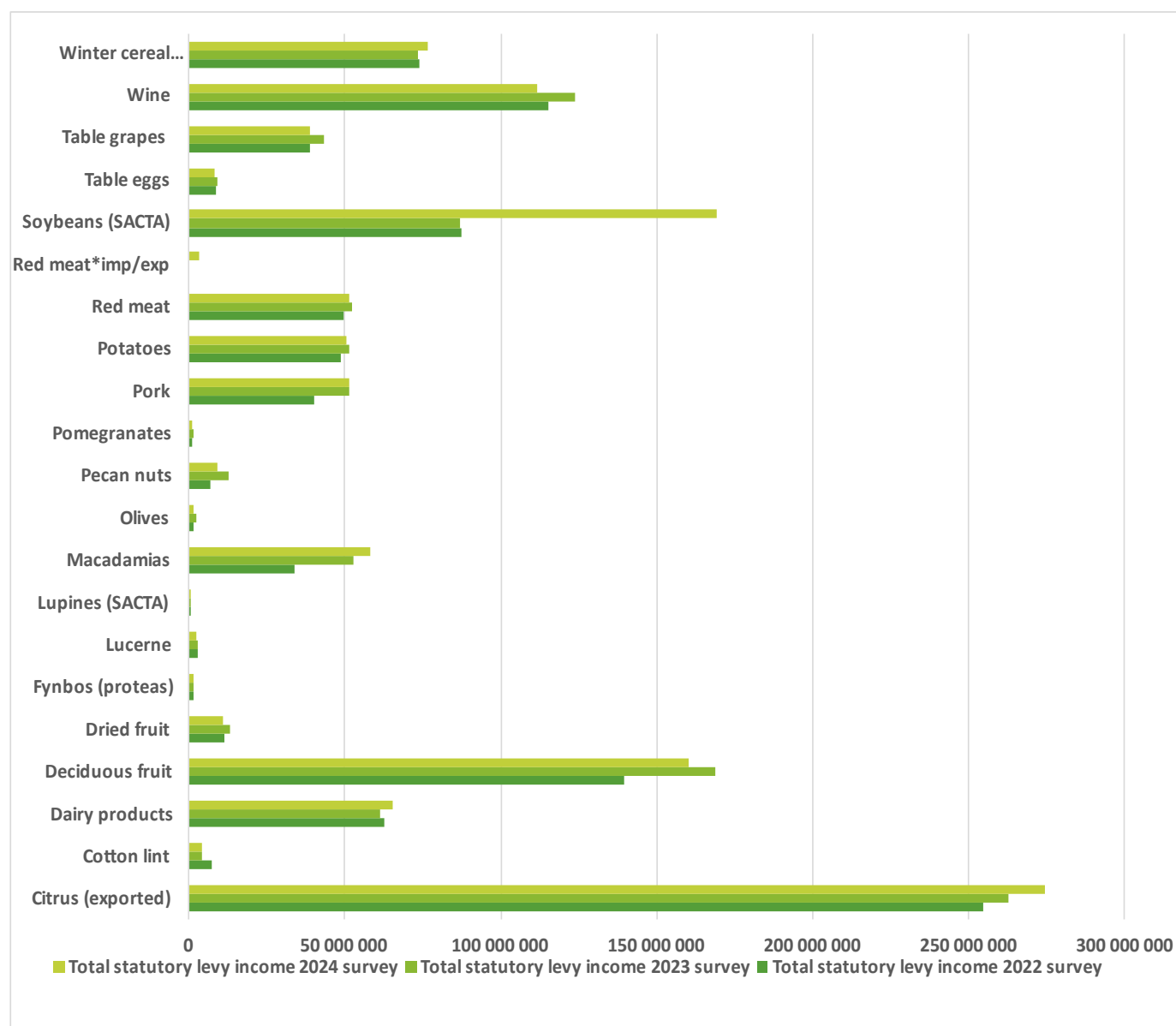
The total funds collected through statutory levies in the 2024 survey amounted to approximately R1.149 billion, which is 6.9% higher compared to the previous survey's levy income of roughly R1.075 billion.

Table 2: TOTAL LEVY INCOME – 2024 SURVEY

Product	2020 survey R	2021 survey R	2022 survey R	2023 survey R	2024 survey R
Citrus (exported)	90 851 271	108 102 782	254 770 473	262 925 472	274 197 182
Cotton lint	8 281 436	11 991 781	7 330 439	4 122 032	4 085 351
Dairy products	56 346 019	60 078 788	62 739 378	61 293 766	65 429 661
Deciduous fruit	108 655 174	118 768 042	139 724 733	168 961 765	160 136 830
Dried fruit	9 112 801	10 328 572	11 616 397	13 216 129	10 841 301
Fynbos (proteas)	803 448	908 868	1 311 632	1 323 423	1 401 047
Lucerne	2 409 189	2 508 029	2 710 694	2 807 518	2 234 147
Lupines (SACTA)	n/a	n/a	509 853	147 365	168 786
Macadamias	29 904 420	26 844 259	33 852 101	52 709 761	26 844 259
Olives	1 560 736	1 848 684	1 354 292	2 229 988	1 848 684
Pecan nuts	5 171 553	7 481 785	6 724 370	12 739 434	7 481 785
Pomegranates	906 906	787 938	872 403	1 382 519	787 938
Pork	37 283 046	40 669 784	40 212 526	51 360 123	40 669 784
Potatoes	50 976 926	49 517 469	48 515 521	51 408 150	49 517 469
Red meat	47 055 419	49 644 570	49 677 110	52 221 890	49 644 570
Meat*imp/exp					3 131 251
Soybeans (SACTA)	68 962 355	89 600 307	87 336 501	86 822 508	169 250 071
Table eggs	8 221 717	8 402 663	8 795 046	9 265 514	8 227 157
Table grapes	28 184 164	32 166 534	38 697 413	43 412 645	38 769 518
Wine	90 932 073	92 468 114	115 461 535	123 741 673	111 857 399
Winter cereal (SACTA)	53 060 243	61 408 266	73 843 106	73 243 697	76 497 401
TOTAL	735 800 592	808 939 146	986 055 523	1 075 335 372	1 149 558 830
Annual increase	14.8%	9.9%	21.9%	9.1%	6.9%

The following graph illustrates the levy income per industry over the past three years. It is evident from the graph that the citrus industry collects the largest portion of total levy income, followed by the deciduous fruit, wine, and soybean industries.

Figure 1: LEVY INCOME OVER THE PAST THREE YEARS PER INDUSTRY



The reason for fluctuations in levy income per industry is complex to determine. Since this 2024 survey spans various financial years of the relevant levy administrators, it is assumed that the overall agricultural production performance of 2022/23 and 2023/24 should be considered.

The estimated volume of agricultural production in 2022/23 was 2% more than in 2021/22. South Africa's agricultural sector faced several challenges in 2023, and it was anticipated that the overall annual performance would decrease to some extent because of the animal disease challenges in the livestock and poultry subsector compared to the previous year.

However, the figures released by Statistics South Africa on 5 March 2023 show that the gross value added by agriculture, forestry and fishing fell by 12.2% year on year (from a mild increase of 0.9% in 2022 and a robust increase of 7.4% in 2021).

The field crop production volume for 2022/23 increased by 5%, of which soybean production increased by 525 300 tonnes (23.6%). The summer crop harvest was robust in 2023 but insufficient to boost the overall sector performance. The 2022/23 soybean yield reached a record 2.8 million tonnes, resulting in a sharp increase in breeding levy income. The winter cereal levies demonstrate a more modest rise than the previous year.

Horticultural production for 2022/23 increased by 2.8% from the previous season, mainly attributed to increased citrus and subtropical fruit production. However, exports fell short of expectations, and sales declined compared to earlier

financial years. Consequently, the wine and fruit industries experienced reduced levy income.

Animal production decreased by 0.6%, primarily due to reduced egg output and lower stocks slaughtered for 2022/23. Egg production declined by 2 534 tonnes (0.4%) compared to 2021/22. Furthermore, cattle and calves slaughtered fell by 11 541 tonnes (1.4%), while sheep and lambs decreased by 5 479 tonnes (5.5%) in the same period. During 2023, livestock and poultry industry challenges influenced the overall sector performance more intensely than anticipated. The livestock and poultry industries were hit by animal diseases such as foot-and-mouth, avian influenza and African swine fever in 2023, resulting in lower levy income in these industries.

Statutory levy income is influenced by the agricultural sector's numerous obstacles, including intensified delays and inefficiencies at the ports, deteriorating rail and road infrastructure, worsening municipal service delivery, increased geopolitical uncertainty and load-shedding. Rising crime and theft, lingering animal diseases and relatively higher interest costs compound these difficulties. Production conditions further remain tough because of the drought in southern Africa.

2.3. TOTAL LEVY EXPENDITURE

The levy administrators' total funds collected through statutory levies in the 2024 survey amounted to approximately R1.149 billion, 6.9% higher than the R1.075 billion in the 2023 survey.

The 2024 survey shows that approximately R1.106 billion was spent on industry functions, which represents an increase of 8.2% compared to the R1.022 billion expenditure in the 2023 survey. Of the total expenditure, about 44.6% was spent on research, 10.6% on export promotion/market access, and 8.1% on information. About 20.4% (R225.7 million) was spent on transformation projects.

Table 3: ALLOCATION OF LEVY EXPENDITURE – 2024 SURVEY

Functions funded	2022 survey	2023 survey	2024 survey	2024
	R	R	R	%
Administration	48 829 202	54 522 048	59 717 185	5.4
Information	60 072 980	79 555 284	89 072 306	8.1
Research	421 316 576	460 064 529	493 933 015	44.6
Transformation	179 226 062	202 113 148	225 704 614	20.4
Export promotion/ market access	81 015 134	103 565 687	116 782 522	10.6
Consumer education/promotion	61 152 393	71 130 610	66 439 056	6.0
Production development	6 613 468	6 849 795	3 429 649	0.3
Plant improvement	938 373	4 706 905	12 938 677	1.2
Quality control	36 867 535	39 883 442	38 233 054	3.5
TOTAL	896 031 723	1 022 391 448	1 106 250 078	100

Further details on the levy expenditure per industry and function are provided in Table 4 on the next page.

Table 4: LEVY ALLOCATIONS TO FUNCTIONS, PER INDUSTRY AND IN TOTAL- 2024 SURVEY

	Administration	Information	Research / cultivar development	Transformation	Export promotion / market access	Consumer education / promotion	Production development	Plant improvement	Quality control	Total per industry and % of total
	Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure		Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure
Citrus exported	11 807 983	5 101 580	168 194 934	58 643 617	11 773 034					255 521 148
% of total expenditure	4,6%	2,0%	65,8%	23,0%	4,6%					100,0%
Cotton	140 902	7 648 158	1 078 064	1 364 302		1 086 840			3 249 215	14 567 481
	1,0%	52,5%	7,4%	9,4%		7,5%			22,3%	100,0%
Deciduous fruit	6 794 637	7 423 025	4 892 345	9 901 992		22 602 569			11 564 822	63 179 390
	10,8%	11,7%	7,7%	15,7%		35,8%			18,3%	100,0%
Dairy	7 503 904	2 825 979	78 201 811	23 415 091	43 274 047			12 938 677		168 159 509
	14,7%	1,7%	46,5%	13,9%	25,7%			7,7%		100,0%
***Pome / stone fruit	7 503 904	2 825 979	38 142 677	23 415 091	9 024 544			12 938 677		93 850 872
	8,0%	3,0%	40,6%	24,9%	9,6%			13,8%		100,0%
***Market Access					34 249 503					34 249 503
					100,0%					100,0%
***Fruit Fly Africa			40 059 134							40 059 134
			100,0%	0,0%						100,0%
Dried fruit	1 081 956	1 623 903	5 636 013	4 052 294	4 580 945					16 975 111
	6,4%	9,6%	33,2%	23,9%	27,0%					100,0%
Fynbos (proteas)	100 973	250 184	323 810	366 610						1 041 577
	9,7%	24,0%	31,1%	35,2%						100,0%
Lucerne	227 548	574 050	518 050	504 523					718 806	2 542 977
	8,9%	22,6%	20,4%	19,8%					28,3%	100,0%
Lupines (SACTA)	3 390		45 084	34 287						82 761
	4,1%		54,5%	41,4%						100,0%
Macadamias	6 363 747	13 635 164	34 627 717	4 131 266						58 757 894
	10,8%	23,2%	58,9%	7,0%						100,0%

	Administration	Information	Research / cultivar development	Transformation	Export promotion / market access	Consumer education / promotion	Production development	Plant improvement	Quality control	Total per industry and % of total
Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure	Rand and % of total expenditure
Olives	72 939	291 611	218 819	291 759		583 518				1 458 646
	5,0%	20,0%	15,0%	20,0%		40,0%				100,0%
Pecan nuts	857 859	3 959 782	4 035 975	2 018 516	1 546 658					12 418 790
	6,9%	31,9%	32,5%	16,3%	12,5%					100,0%
Pomegranates	109 620	32 512		172 650	242 502	41 622				598 906
	18,3%	5,4%	0,0%	28,8%	40,5%	6,9%				100,0%
Pork	7 794 520	7 087 881	1 836 155	9 666 716		14 777 884			11 947 625	53 110 781
	14,7%	13,3%	3,5%	18,2%		27,8%			22,5%	100,0%
Potato	2 265 262	12 620 360	16 946 015	13 845 460		13 453 996				59 131 093
	3,8%	21,3%	28,7%	23,4%		22,8%				100,0%
Red meat	3 963 419	816 724	7 492 215	13 461 147	251 964	11 976 859	3 429 649			41 391 977
	9,6%	2,0%	18,1%	32,5%	0,6%	28,9%	8,3%			32,5%
Meat imp/exp	414 475		174 590	427 483	1 091 872				874 466	2 982 886
	13,9%		5,9%	14,3%	36,6%				29,3%	100,0%
Soybeans (SACTA)	3 398 848		67 321 803	34 381 089						105 101 740
	3,2%		64,1%	32,7%						100,0%
Table eggs	845 147	1 660 953	130 885	1 874 233		1 915 768			3 080 553	9 507 539
	8,9%	17,5%	1,4%	19,7%		20,1%			32,4%	100,0%
Table grapes	2 583 763	5 060 518	10 108 378	11 334 669	8 523 314				6 797 567	44 408 209
	5,8%	11,4%	22,8%	25,5%	19,2%				15,3%	100,0%
Wine	1 850 087	18 459 922	29 733 241	20 277 395	45 498 186					115 818 831
	1,6%	15,9%	25,7%	17,5%	39,3%					100,0%
Winter cereal (SACTA)	1 536 206		62 417 111	15 539 515						79 492 832
	1,9%		78,5%	19,5%						100,0%
Total	59 717 185	89 072 306	493 933 015	225 704 614	116 782 522	66 439 056	3 429 649	12 938 677	38 233 054	1 106 250 078
% spent on function	5,4%	8,1%	44,6%	20,4%	10,6%	6,0%	0,3%	1,2%	3,5%	100,0%

The following table indicates the levy surplus or deficit for each industry for the particular year under review:

Table 5: COMPARISON BETWEEN INCOME AND EXPENDITURE

Industry	Levy income	Levy expenditure	Surplus/deficit
	R	R	R
Citrus (exported)	274 197 182	255 521 148	18 676 034
Cotton lint	4 085 351	14 567 481	-10 482 130
Dairy products	65 429 661	63 179 390	2 250 271
Deciduous Fruit	160 136 830	168 159 509	-8 022 679
***Pome and stone	87 743 237	93 850 872	-6 107 635
***Market development	35 686 300	34 249 503	1 436 797
***Fruitfly Africa	36 707 293	40 059 134	-3 351 841
Dried fruit	10 841 301	16 975 111	-6 133 810
Fynbos (proteas)	1 401 047	1 041 577	359 470
Lucerne	2 234 147	2 542 977	-308 830
Lupines (SACTA)	168 786	82 761	86 025
Macadamias	58 347 568	58 757 894	-410 326
Olives	1 458 646	1 458 646	0
Pecan nuts	9 207 388	12 418 790	-3 211 402
Pomegranates	1 216 109	598 906	617 203
Pork	51 532 217	53 110 781	-1 578 564
Potatoes	50 357 561	59 131 093	-8 773 532
Red meat	51 212 239	41 391 977	9 820 262
Meat (AMIE)	3 131 251	2 982 886	148 365
Soybeans (SACTA)	169 250 071	105 101 740	64 148 331
Table eggs	8 227 157	9 507 539	-1 280 382
Table grapes	38 769 518	44 408 209	-5 638 691
Wine	111 857 399	115 818 831	-3 961 432
Winter cereal (SACTA)	76 497 401	79 492 832	-2 995 431

Statutory levies are typically promulgated for four years, with surpluses or shortages in one year addressed in other years of the levy period. In the cotton industry, where expenditure exceeds income, Cotton SA relies on additional income sources, such as rental income, to finance its operations.

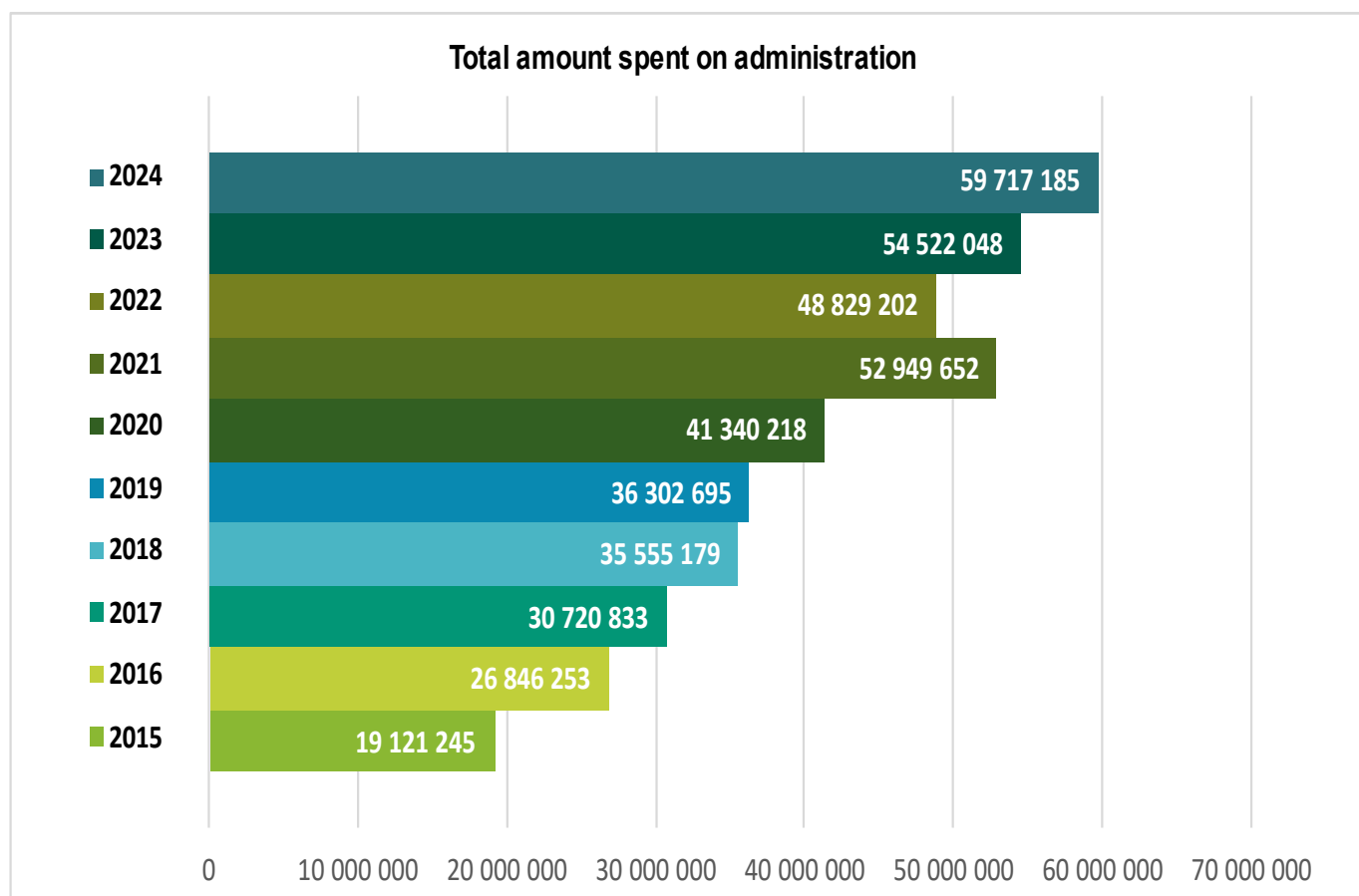
2.4. TRENDS IN EXPENDITURE ON SPECIFIC FUNCTIONS

The following pages present an analysis of the total expenditure on generic functions for the past decade.

Administration

The NAMC's guidelines on utilising statutory levy funds stipulate that not more than 10% of levies collected should be used for administrative purposes. The 2024 survey shows that, in total, all levy administrators spent approximately **5.4% (R59.7 million)** of levies collected on administration costs, which is well below the guideline of 10%. Audit fees are one of the main components of administration costs. The figure below indicates the total expenditure on administration for the past 10 years.

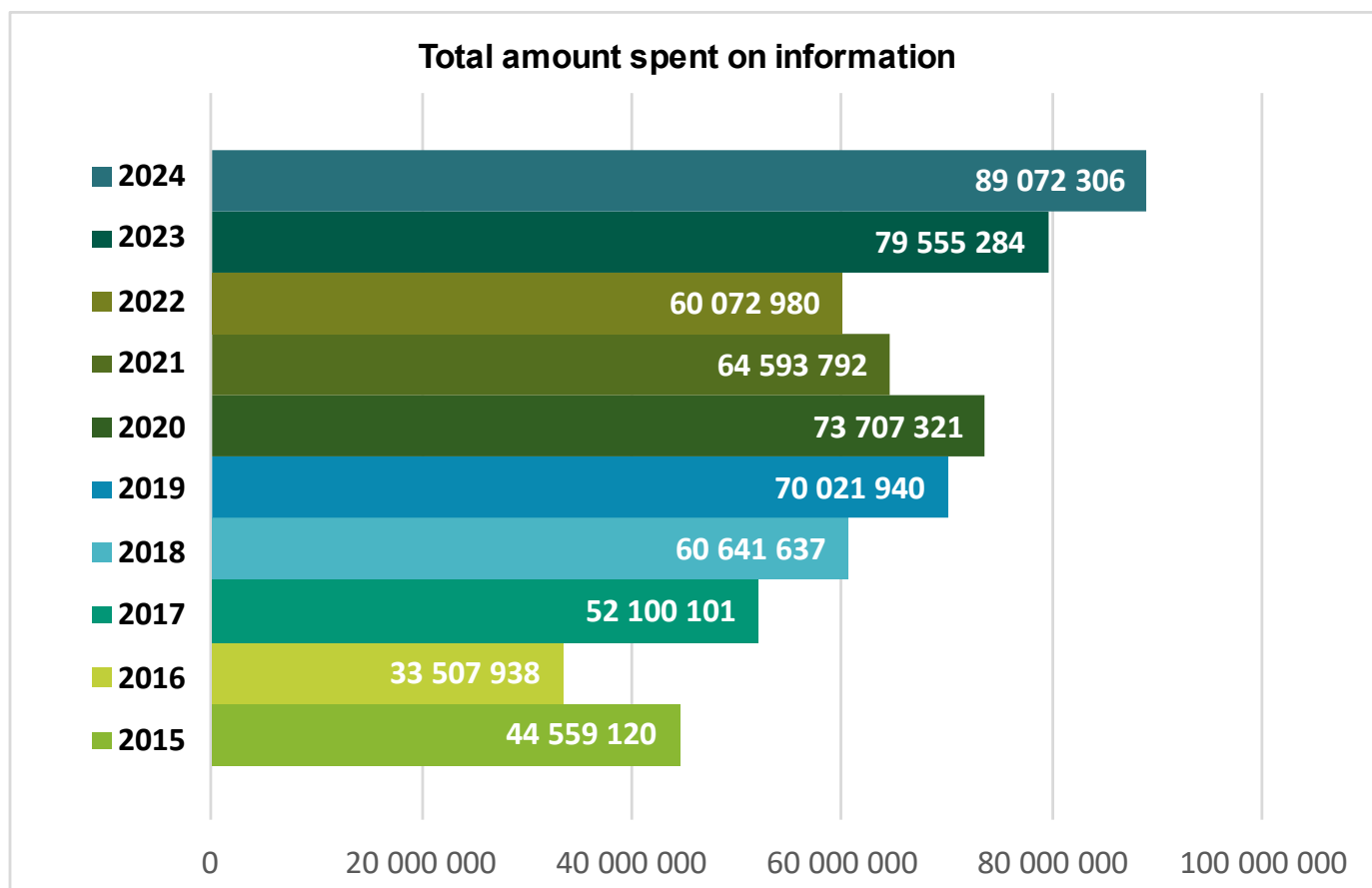
Figure 2: LEVY FUNDS SPENT ON ADMINISTRATION OVER THE PAST 10 YEARS



Information

For the 2024 survey, approximately **8.1% (R89.1 million)** of total levy expenditure was allocated to the information function.

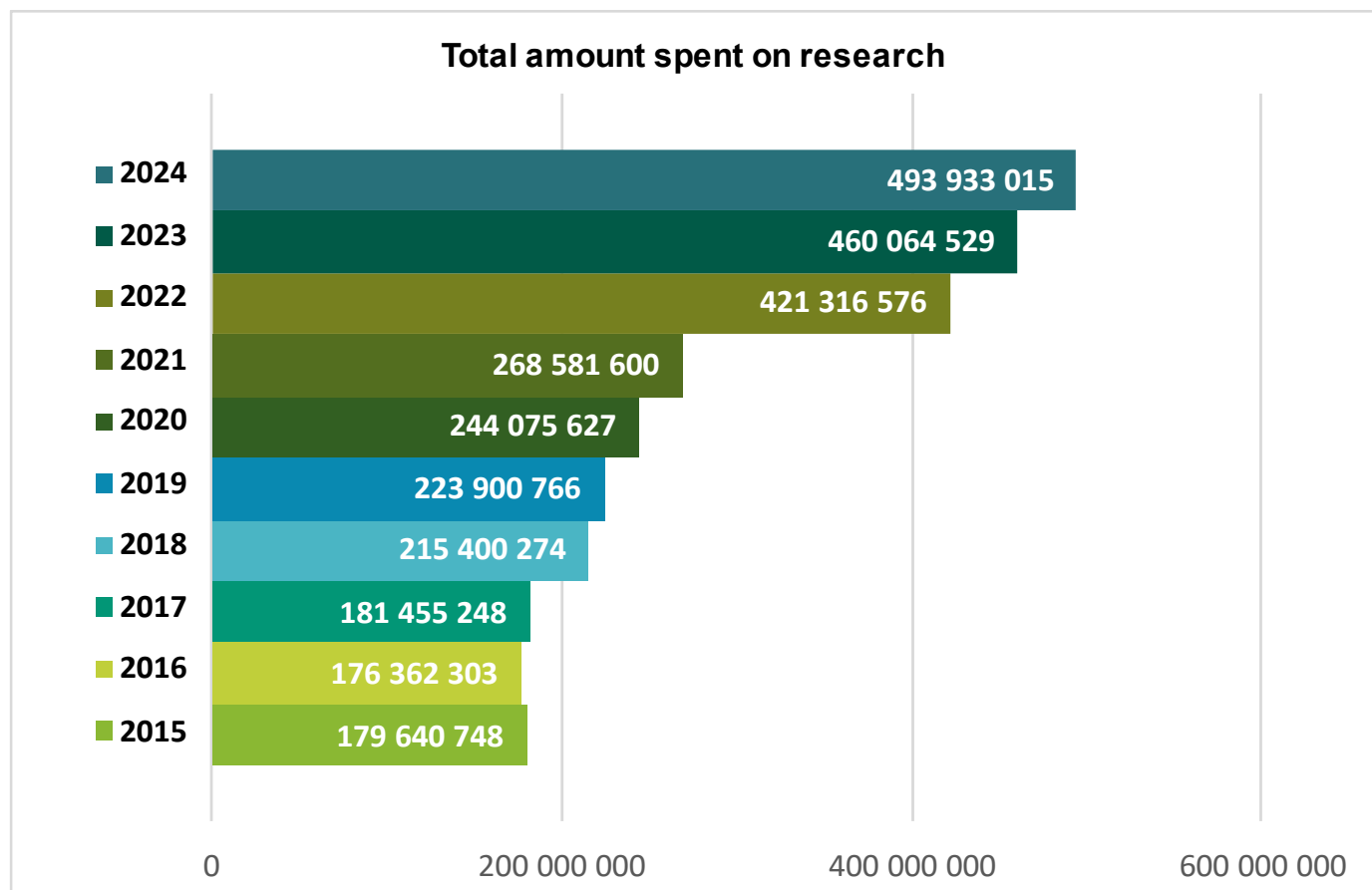
Figure 3: LEVY FUNDS SPENT ON INFORMATION OVER THE PAST 10 YEARS



Research

Research is the generic function that receives the largest proportion of total statutory levies. A steady increase in funds spent on this function is evident over the past 10 years, as indicated in Figure 4. The 2024 survey shows that approximately **44.6% (or R493.9 million)** of levy expenditures was allocated to research.

Figure 4: LEVY FUNDS SPENT ON RESEARCH FOR THE PAST 10 YEARS

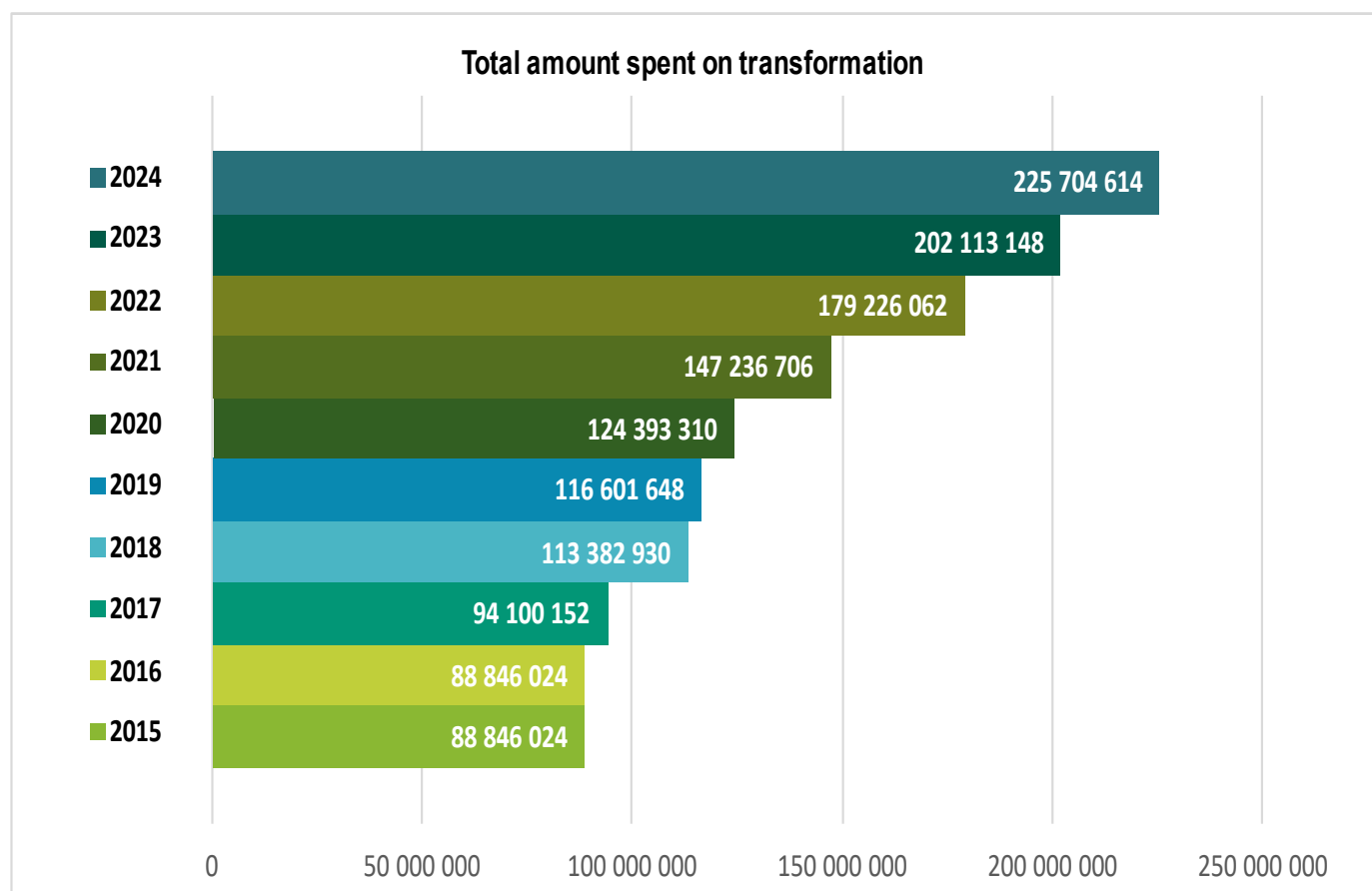


Transformation

According to the 2024 survey, approximately **20.4% (R225.7 million)** was allocated towards transformation projects, compared to R202.1 million reported in the preceding survey, reflecting an increase of 11.6%. The requirement aligns with the stipulated condition for all levies, mandating that at least 20% of levy income should be dedicated to transformation initiatives.

It should, however, be noted that two statutory levies, namely the market access and the fruit fly levies in the deciduous fruit industry, were approved without the condition that at least 20% of levy income must be allocated towards transformation activities. If the revenue from these specific levies is excluded, more than 20.4% of the total levy collection was used for such transformation initiatives.

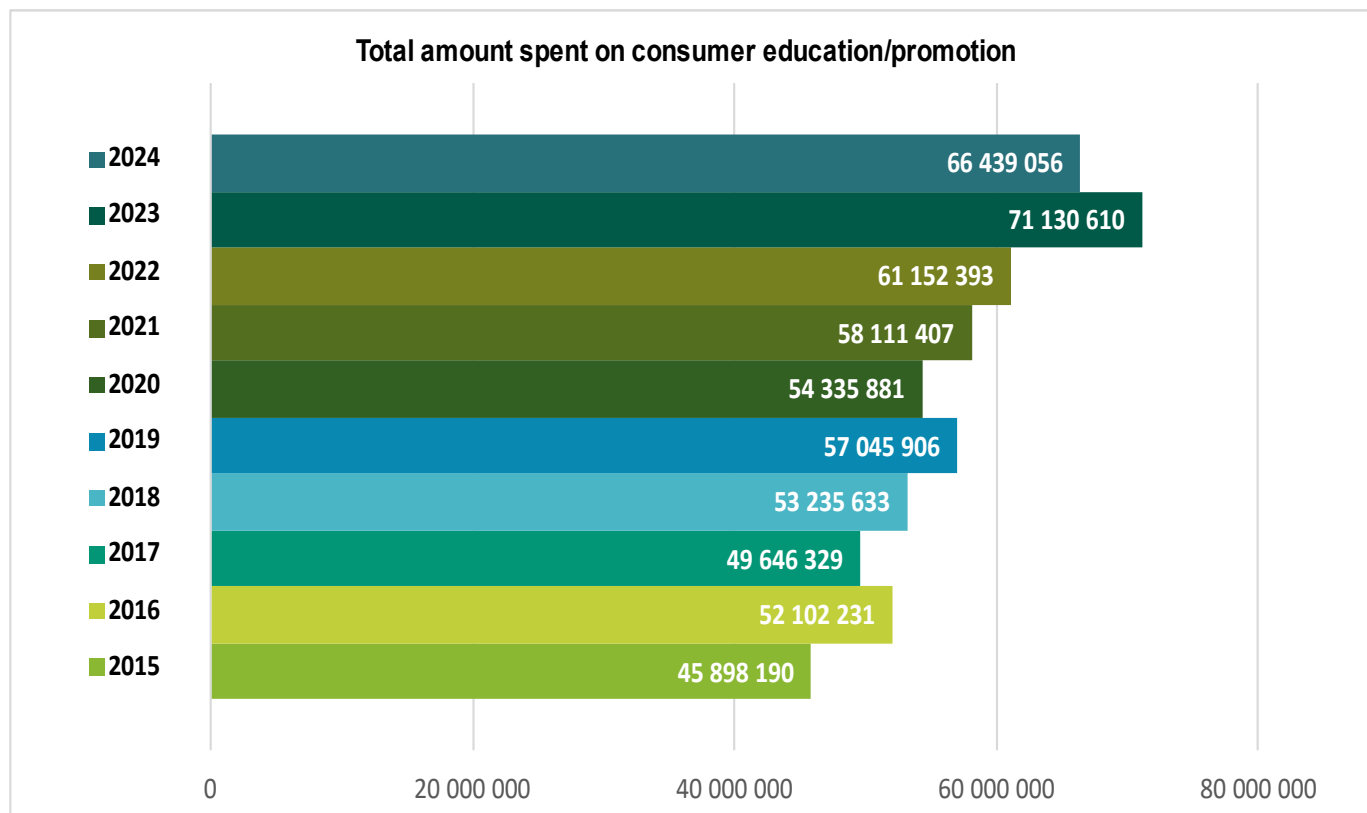
Figure 5: LEVY FUNDS SPENT ON TRANSFORMATION FOR THE PAST 10 YEARS



Consumer education/local promotion

According to the 2024 survey, approximately **6% (R66.4 million)** of total levy expenditure was spent on consumer education/local promotion, compared with the R71.1 million reported in the previous survey. The dairy, olive, pork, potato, red meat and table egg industries spent a significant part of statutory levies on consumer education/local promotion.

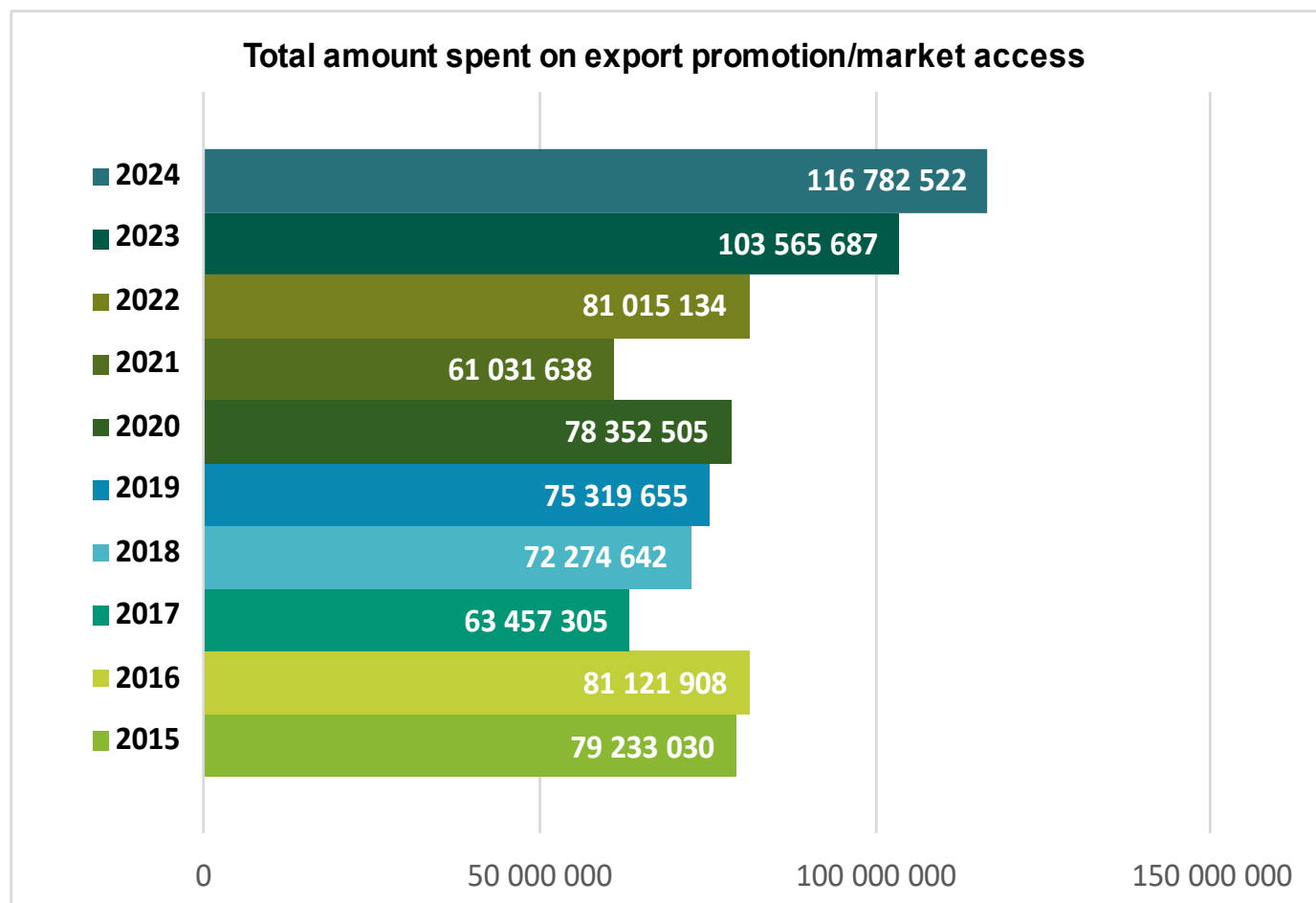
Figure 6: LEVY FUNDS SPENT ON CONSUMER EDUCATION/LOCAL PROMOTION OVER THE PAST 10 YEARS



Export promotion and market access

The 2024 survey indicated that approximately **10.6% (R116.8 million)** of total levy expenditure was allocated to export promotion and market access. The horticultural industries, particularly the citrus, deciduous fruit, dried fruit, table grape, and wine sectors, allocated a significant proportion of their statutory funds to export promotion. The market development levy in the deciduous fruit industry is explicitly used to fund the market development/consumer education programmes planned in Europe, the Middle East and the Far East.

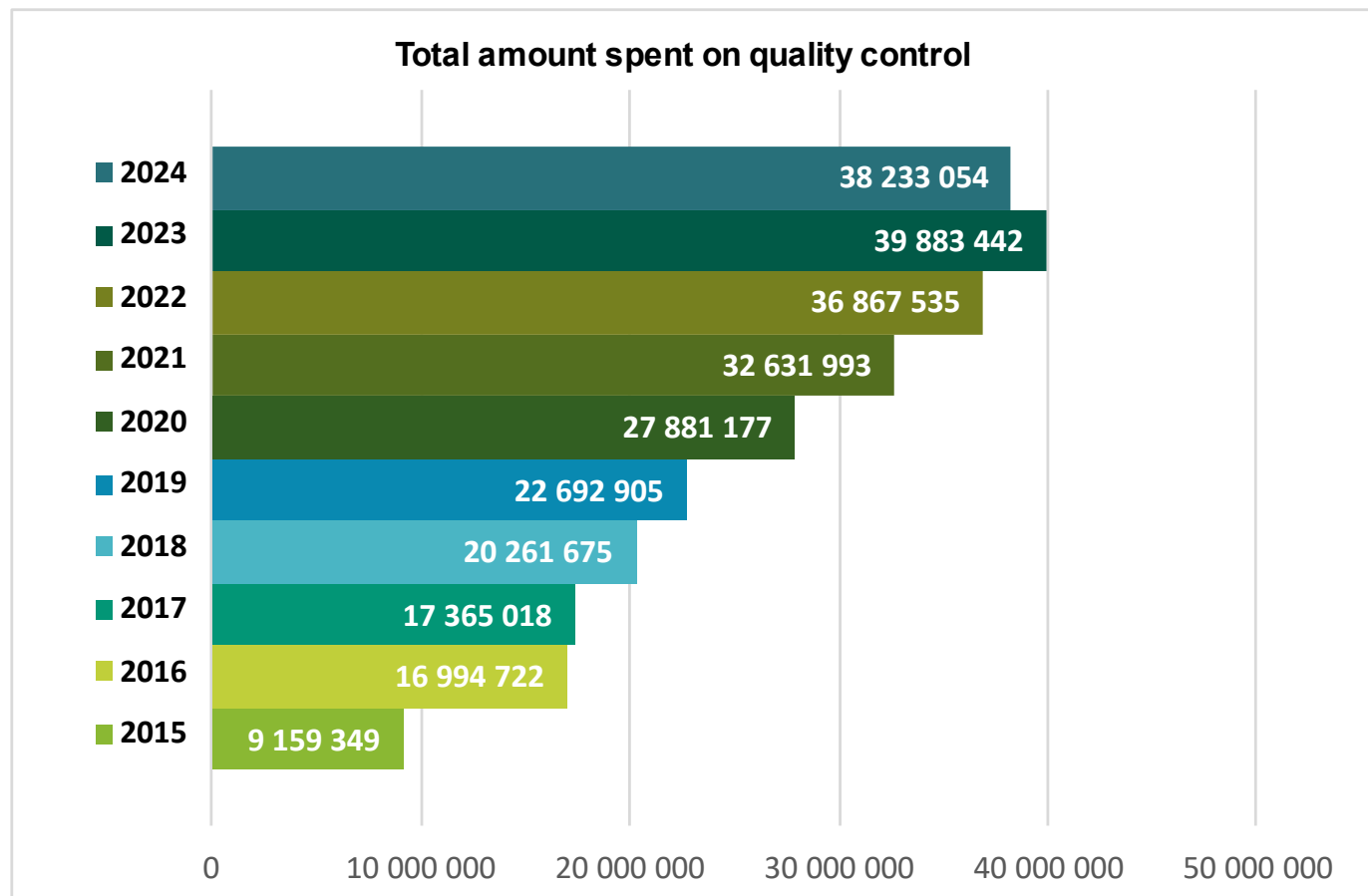
Figure 7: LEVY FUNDS SPENT ON EXPORT PROMOTION/MARKET ACCESS OVER THE PAST 10 YEARS



Quality control

Quality control is mainly undertaken by the cotton, dairy, lucerne, pork and red meat industries to ensure that consumers have peace of mind when using their products. Approximately **R38.2 million (3.5% of total levy expenditure)** was spent on quality control in the 2024 survey.

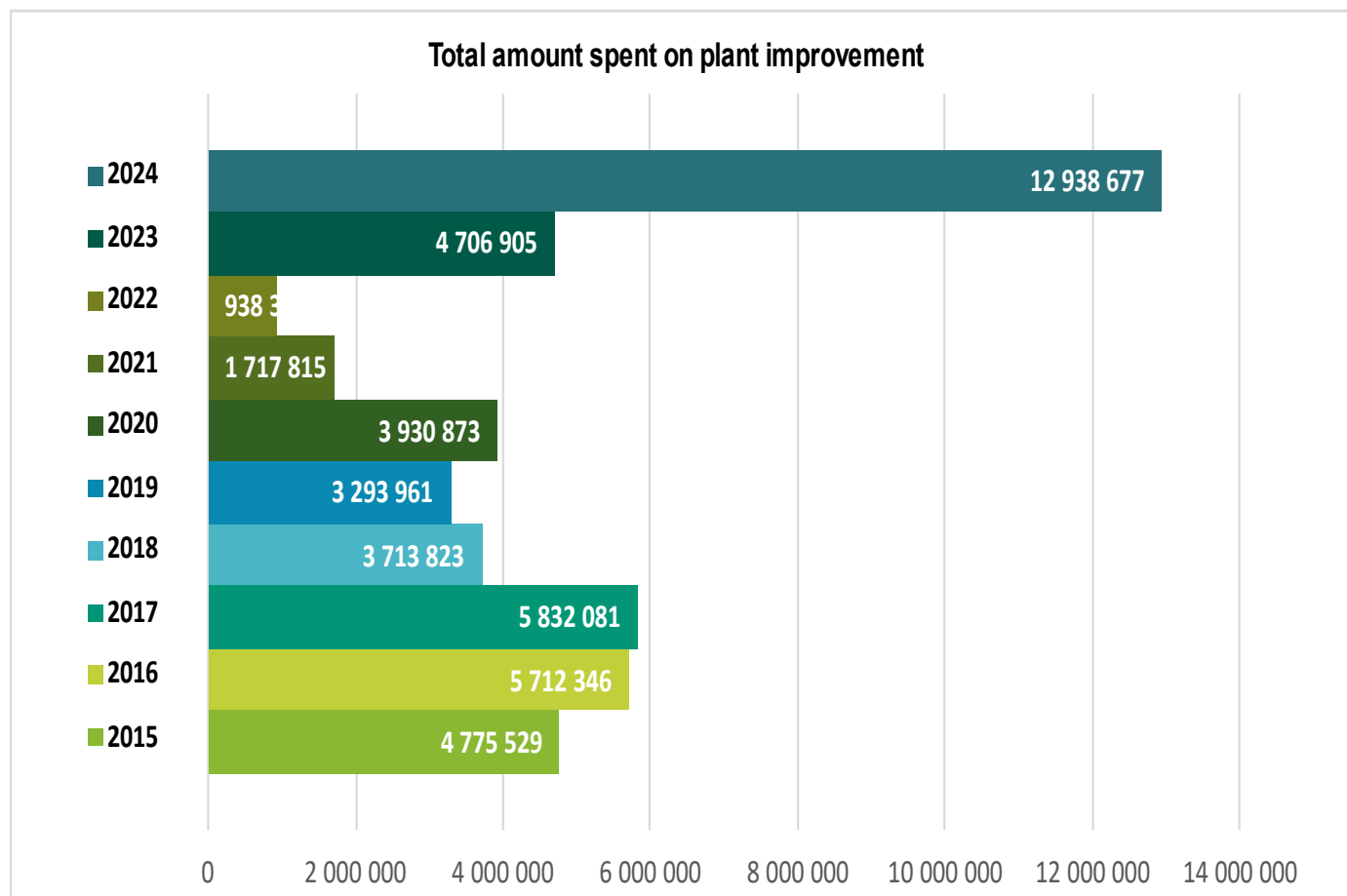
Figure 8: LEVY FUNDS SPENT ON QUALITY CONTROL OVER THE PAST 10 YEARS



Plant improvement

The deciduous fruit industry spent approximately **R12.9 million (1.2% of total levy expenditure)** on plant improvement in the 2024 survey, compared to R4.7 million in the previous survey. **Hortgro budgeted R5.7 million but spent R12.9 million on plant improvement and certification.** As production and marketing challenges increase, programmes must keep abreast with the latest developments, resulting in an increased need for plant improvement to ensure producers maintain competitive production capabilities while retaining access to established markets and securing entry to emerging ones.

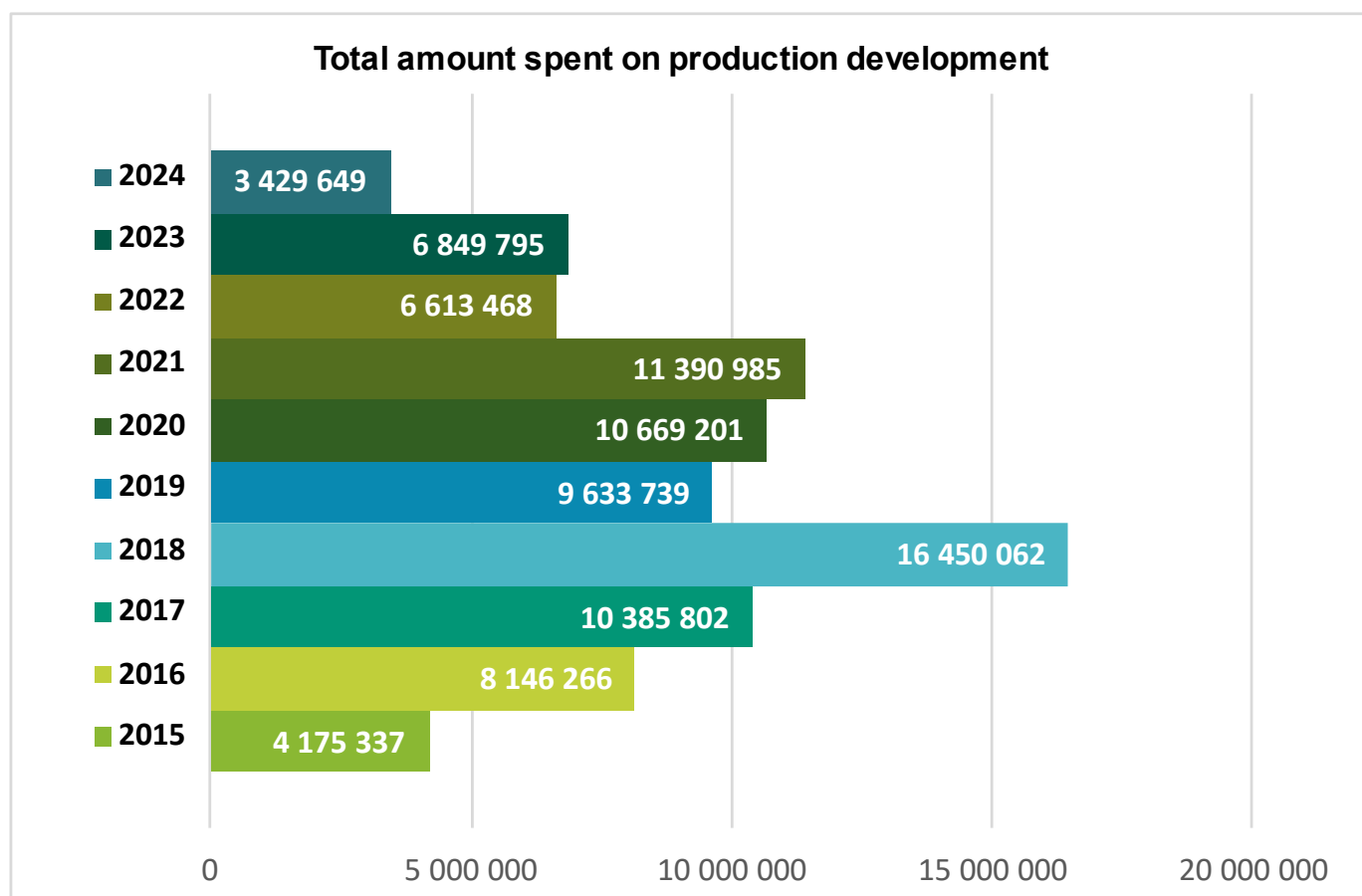
Figure 9: LEVY FUNDS SPENT ON PLANT IMPROVEMENT OVER THE PAST 10 YEARS



Production development

Although only a small percentage of statutory levy expenditure was allocated to production development, the red meat industry invested approximately **R3.4 million (0.3% of the total levy)** in this initiative.

Figure 10: LEVY FUNDS SPENT ON PRODUCTION DEVELOPMENT OVER THE PAST 10 YEARS



2.5. INDUSTRIES' VIEWPOINTS ON STATUTORY MEASURES

The various industries concerned were requested to give their opinion on how statutory levies supported the viability of agricultural sectors. The following were noted:

Citrus export industry

- The levy enabled the funding of research and technical support services for the citrus industry;
- Enabled CGA to retain access to existing markets and develop new markets for citrus exports. Funded various transformation initiatives such as Black Grower Enterprise Development and Human Capital Development;
- Funded the collection, analysis and provision of industry information to citrus growers. Also provided industry statistics to growers; and
- Funded various logistics projects such as road-to-rail initiatives, working with Transnet to improve port efficiencies. The levy also financed a project to investigate shipping costs and potential reductions.

Cotton industry

- The income derived from the statutory levy represented 40% of the total revenue of Cotton SA for the past five years.
- The income derived from the statutory levy represented 28.04% of the total revenue of Cotton SA for the 2022-23 period. Cotton SA relies on the levy income to deliver much-needed services to the cotton industry.
- From the income derived from the statutory levy, 33.4% was used on transformation, upliftment, and development of black smallholder cotton farmers in South Africa.

Deciduous fruit industry

- The levies assisted the industry in creating stability in a highly volatile/uncertain environment and addressing pertinent challenges. They also provided a funding mechanism to address these challenges and issues responsively and proactively.
- Organised industry and industry structures at all levels throughout the value chain contributed to better industry engagements and collaboration with relevant members and stakeholders to ensure cost-effective and efficient implementation of the various industry support programmes that are aligned with the needs and industry challenges which individual producers/stakeholders cannot address by themselves.
- Many of the research programmes extend over several years. As production and marketing challenges increase
- – the funded research programmes need to keep abreast with the latest developments, resulting in an increased need for research to ensure that producers can competitively produce a product and supply and maintain market access to existing markets and gain access to new markets.
- The industry has experienced many challenges over the last few years regarding existing market access. The most significant impact has been on implementing risk mitigation measures, particularly regarding phytosanitary requirements, with many existing industry markets becoming unique ones requiring distinct approaches (Phytclean, FCM, Codling Moth, Fruit Fly). These phytosanitary requirements pose significant market access risks for the South African industry. Through the levy the sector was able to effectively mitigate these risks. Some success stories include regaining access to Taiwan, in-transit cold steri protocols for India, China's market opening for apples and pears, and USA stone fruit exports.
- Transformation and economic development initiatives – the DFDC Commercialisation programme assisted in establishing new/replaced 310 ha; created 188 new permanent jobs, 849 seasonal jobs and 630 short-term positions. The total investment reached R134 million across 21 black-owned farms. The levy further provides resources to sustain these businesses and expand industry growth in additional areas. The levy contributions targeted businesses in distress due to poor economic conditions over several preceding years to restore stability. Hortfin, established as an innovative and comprehensive funding mechanism for value chain applications in the finance industry, is primarily black-owned. At year-end, 23 projects were approved to a value of R270 mill, of which R225.5 million were disbursed, 113 ha planted, 56 new permanent jobs and 1102 new seasonal jobs were created.
- The statutory levies have enabled Fruitfly Africa to render essential integrated pest management services to the fruit industry to address the risks associated with international quarantine pests on an area-wide basis. These services include pest monitoring, sterile insect production and releases, and aerial baiting of an organic insecticide. The associated pests are the Mediterranean Fruit Fly (*Ceratitis capitata*), Cape Fruit Fly (*Ceratitis-quilicii*) and Oriental Fruit Fly (*Bactrocera dorsalis*).

Fynbos

- The levy provided a steady, predictable income, enabling the initiation and funding of long-term projects. Sustained support and relationships remain equally crucial for developing new industry
- farmers. While obtaining timeous data from all relevant stakeholders presents ongoing challenges, persistent effort ensures the collection of all required information. The industry faced project management challenges, prompting enhanced management capacity at the start of the 2024/25 financial year.
- The statutory measures helped the industry to conduct research addressing technical STATUS REPORT ON STATUTORY MEASURES: 2024 SURVEY 24 issues, collect information on production and exports so that better planning was possible, market fynbos as a premium product that commands a premium price, and negotiate with various entities as a united front.

Lucerne

- The income derived from the statutory levy represented 40% of the total revenue of Cotton SA for the past five years.
- The income derived from the statutory levy represented 28.04% of the total revenue of Cotton SA for the 2022-23 period. Cotton SA relies on the levy income to deliver much-needed services to the cotton industry.
- From the income derived from the statutory levy, 33.4% was used on transformation, upliftment, and development of black smallholder cotton farmers in South Africa.

Lucerne

- Research and Development: Statutory levies have funded the continuous improvement of the National Lucerne Trust (NLT) calibration system, increasing its robustness. Due to the accuracy of the grading system, it is accepted in various export countries.
- The NLT administers the National Lucerne Variety Evaluation Trials (NLET). The trials are conducted collaboratively with the Provincial Departments of Agriculture, Land Reform and Rural Development (DALRRD). The NLEP aims to provide the South African lucerne industry with independent, replicated, comprehensive, accurate and accessible results on the performance of lucerne varieties.
- Market Promotion: As the industry has a grading system, it has stimulated consumption and sales of lucerne products domestically and internationally. It has specifically focused on opening the export market in China.
- Skills Development: Statutory levies were used for training programmes and workshops for farmers, helping them to improve their skills and adopt modern and efficient agricultural practices.

Macadamias

- Through a statutory levy, SAMAC is leading efforts to explore market prospects; the industry aims to help farmers attain improved prices at the farm level. The industry's commitment to thorough research and developmental initiatives enabled them to enhance farming efficiency and economic viability while maintaining world-class product quality. Additionally, the sector elevated the transformation project standards, successfully commercialising two promising ventures and constructing the industry's first dehusking and drying facilities on an emerging farm.

Breeding levies on soybeans, lupins, and winter cereals

- New market entrants are emerging, as evidenced by expanding sector opportunities. The new varieties registered since 2018 are as follows: wheat 53, soybean 81, oats 5, barley 2, and lupins 1. There are 13 soybean seed companies and 5 wheat seed companies. In addition, a new soybean technology, INTACTA RRPro, has also been approved, launched, and commercialised.

Pomegranates

- Maintaining current markets is a continuous challenge due to increased quality and phytosanitary requirements, and statutory levies have allowed the industry to establish systems that help producers meet these demands. Constant research is done to assist producers with production, quality, and market access issues.

Pork

- Business Intelligence gathers data from diverse industry stakeholders, including producers. This information is transformed into actionable insights, aiding benchmarking efforts based on realistic data from reliable sources.
- Consumer Education reached over 80 million people through various media platforms. Education and awareness of pork increased per capita consumption.
- Through Business Development, 79 farmers enrolled in the mentorship programme and had access to veterinary services. This initiative led to an increase in health service accessibility for small and developing farmers.
- Through the Pork 360 audit, the consumer assurance programme also encourages high biosecurity measures for farmers. With ongoing disease outbreaks, Pork 360 ensures producers implement measures benefiting farms while protecting the industry and national herd. Basic biosecurity assessments are conducted via consumer assurance to guarantee small farm protection.
- Research and Development – SAPPO actively supports research in pig-related studies and pork-related research, which translates into valuable insight into consumer preferences benefiting the marketing of pork strategies. Some research is related to improving productivity and feeding strategies with obvious benefits to improving the viability of pig farming in SA.

Potatoes

- Statutory levies assisted the Research and Development Unit in enabling optimal efficiency in research and innovation to optimise the potential of yields, minimise risk due to pests and diseases, and reduce limitations related to nutrition and irrigation.
- Statutory levies enabled the research programme to focus on future challenges facing the potato industry, including soil health, water efficiency, rising input costs, and increasing pressure on crop protection remedies and fertiliser.
- A research strategy was developed to achieve sustainable growth through prioritised focus areas based on grower needs.
- Statutory levies enabled the Marketing Unit to concentrate on increasing per capita potato consumption by one potato weekly. The priority has shifted to supplying the primary informal market, which serves most South African consumers in the lower- to middle-class income segment. Potatoes provide an affordable source of essential nutrients, with a targeted increase in per capita consumption from 35 kg to 40 kg/person. The strategy involves positioning potatoes as a versatile, healthy food supporting active lifestyles. Efforts will focus on incorporating potatoes into youth-focused programmes, including school feeding schemes, leveraging their nutritional value.
- Statutory levies enabled Industry Information Services to supply timely, accurate, relevant market and production information and business intelligence to all stakeholders in the South African potato value chain and other participants interested in agriculture.
- Statutory levies enabled the Transformation Unit to assist in establishing commercial black potato producers, with the main focus over the past five years on Enterprise Development: An economic programme was developed aimed at sustainable potato production by black emerging commercial producers to utilise available land and maximise benefits from an integrated production system; the unit identified potential black producers and introduced them to the Enterprise Development Programme; Assistance was provided in establishing, supporting and growing viable new black-owned potato producing enterprises through services including strategic farm business planning, technical support and seed supply.
- Apart from the Enterprise Development Programme, statutory levies enabled the offering of Small Grower Development Programmes, Farm-Based Training and coordination of the Tertiary Skills Development Programme.

Table eggs

- The industry successfully conducted meaningful research to counter the arguments of welfare animal lobbyists. Additionally, it assisted a significant number of producers with bankable business plans, environmental impact assessments (EIAs), and water licences. One of the Egg Master Plan projects secured government funding to implement the pack station in Krugersdorp. The Amakip-kip project, the soft loans scheme, was officially launched with payments of about R1.5 million to the beneficiaries in 2024.

Wine

- Efficiency and effectiveness within South Africa Wine are paramount to sustaining the industry's growth and success. A significant focus was placed on leveraging advanced systems and information, enabling stakeholders to maximise operational efficiencies, streamline processes, and enhance collaboration across the supply chain. Efforts to optimise current funding sources and strategically access additional funds proved crucial in ensuring the sector's robust long-term strategy delivery.
- South Africa Wine collaborates closely with the South African Wine Industry Information & Systems (SAWIS) to advance the wine industry through data-driven insights and strategic initiatives. SAWIS provides essential data collection, analysis, and reporting services that inform sector trends, production statistics, and market intelligence. This collaboration enables South Africa Wine to make informed decisions and develop targeted strategies to enhance wine production, marketing, and export efforts. By leveraging SAWIS's comprehensive data and research capabilities, South Africa Wine ensures that the industry remains competitive, innovative, and responsive to domestic and global market dynamics. This partnership is crucial in helping South Africa Wine make informed decisions to help promote sustainable practices, improve quality standards, and drive the overall growth and development of the South African wine industry. In the inaugural year, the industry sought to unite the South African wine sector through a singular leading voice, ensuring cohesive messaging across diverse audiences while fostering trust, collaboration and engagement throughout the domain.
- The industry's commitment to creating a unified One Voice for South Africa Wine was exemplified through several strategic initiatives. The industry developed a robust corporate identity (CI) for South Africa Wine, ensuring a consistent and recognisable brand presence. A comprehensive communication plan was crafted to align all messaging with the industry's core values and objectives. The industry launched an informative website as the central hub for all information. The One Voice initiative ensured consistency and coherence across all communication channels, reflecting a unified identity and message for South Africa Wine.

3. CONCLUSION

This report on the status of statutory measures, compiled by the NAMC for submission to the Minister, focuses only on the various levies collected by the 20 agricultural industries concerned, including the activities funded by statutory levy income.

The agricultural sector is expected to ensure food security, strengthen the economy, and promote social wealth by providing job opportunities in rural areas. These aims can be reconciled with the provisions of section 2(3) of the Act. It is evident from the viewpoints listed by the various industries that the objectives mentioned cannot be achieved without implementing statutory measures and, specifically, statutory levies.

Statutory measures, specifically levies, are crucial for enabling growth in relevant agricultural industries through effective information management, communication, and fund collection to finance much-needed functions. The levy administrators' total funds collected through statutory levies in the 2024 survey amounted to approximately R1.149 billion, 6.9% higher than the R1.075 billion in the 2023 survey.

The 2024 survey shows that approximately R1.106 billion was spent on industry functions, which represents an increase of 8.2% compared to the R1.022 billion expenditure in the 2023 survey. Of the total expenditure, about 44.6% was spent on research, 10.6% on export promotion/market access, and 8.1% on information. About 20.4% (R225.7 million) was spent on transformation projects. Generally, the administrators of statutory levies met the condition of approval of these levies, namely that not more than 10% of levy income may be spent on administration and that at least 20% of levy income must be spent on transformation. The NAMC noted that levy administrators handled income and expenditure from levies responsibly, as all had obtained unqualified audit reports.

The NAMC's findings on the status of statutory measures promulgated in terms of the MAP Act, as verified by the latest audited financial statements for each levy administrator, are hereby presented to the Minister.

The NAMC wishes to thank the statutory measure administrators who supplied the necessary information, the Minister's office and DALRRD, for their efficient assistance in processing applications to implement, amend, and continue statutory measures.

ANNEXURE A

CONTACT DETAILS OF LEVY ADMINISTRATORS

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Administering Body	Contact Person	Transformation Manager
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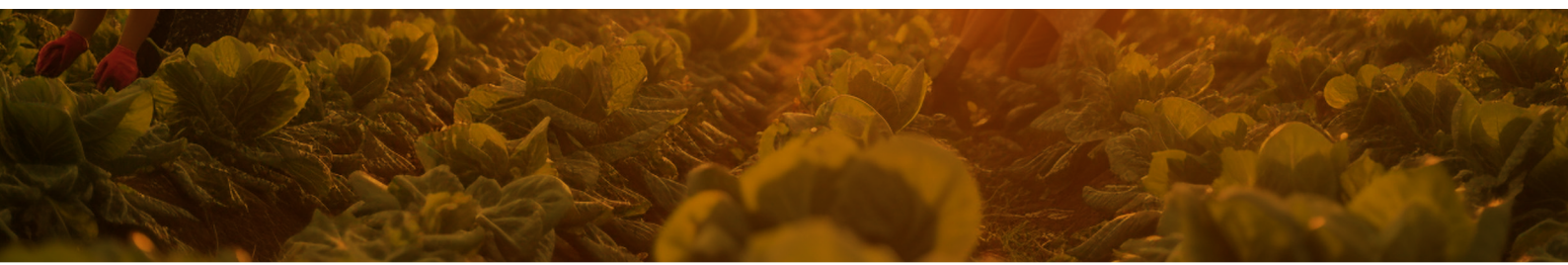
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