

DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES

NO. 1319

01 DECEMBER 2017

**NATIONAL AGRICULTURAL MARKETING COUNCIL
MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996, AS AMENDED
(ACT No. 47 OF 1996)**

**REQUEST FOR THE ESTABLISHMENT OF STATUTORY MEASURES RELATING TO
LEVIES, REGISTRATION AND RECORDS & RETURNS ON TABLE EGGS IN TERMS
OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT**

It is hereby made known that, in terms of section 10 of the Marketing of Agricultural Products Act, 1996 (Act No.47 of 1996) (MAP Act), that the Minister of Agriculture, Forestry and Fisheries has received a request from the South African Poultry Association (SAPA) for the establishment of statutory measures relating to levies, registrations, the keeping of records and rendering of returns. The applicant for the proposed statutory measures is SAPA, a voluntary organisation established by poultry producers in 1904 to act as mouthpiece and representative organisation for poultry producers in South Africa.

SAPA, proposed a levy of **1.5 cents** (excluding VAT) per dozen of eggs to be applied to table eggs sold to the trade. The proposed levy will escalate by 6% per annum. The estimated income from the proposed statutory levies is between R7.3 million (for 2018/19) and R8.7 million per annum (for 2021/22). The proposed statutory levies will finance the following functions, namely-

- Empowerment and development of black emerging poultry producers;
- Consumer education;
- Consumer assurance;
- Research and development;
- Production development;
- Industry information, liaison and training; and
- Administration.

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. In terms of this application, the levy will apply on a dozen of table eggs sold to the trade (VAT excluded) from 1 April 2018 for a period of four years. The average net prices of a dozen of table eggs for the past three years were as follows:

Table eggs sold to the trade	Price/dozen
2015	R12.07
2016	R12.84
2017	R13.77
Average	R12.89

The proposed statutory levies will only be 0.12% of the calculated guideline price of a dozen of table eggs (an average over three years) at first point of sale.

The purpose of the statutory measure relating to registrations is to compel sellers of table eggs to the trade, to register with the administrator of the statutory measures (SAPA). The purpose of the statutory measure relating to records & returns is to compel the sellers of table eggs to the trade to render records and returns to the administrator of the statutory measures. These statutory measures are necessary to ensure that continuous, timeous and accurate market information relating to eggs sold to the trade is available to all role-players. Market information is deemed essential for all role-players in order for them to make informed decisions.

The National Agricultural Marketing Council (NAMC) took cognisance that the proposed statutory measures relating to levies, registrations, the keeping of records and rendering of returns as requested by SAPA, is consistent with the objectives of the MAP Act. The request is currently being investigated by the NAMC and recommendations in this regard will be made to the Minister in the near future.

Directly affected groups in the poultry industry are kindly requested to submit any comments, regarding the proposed statutory measures to the NAMC on or before 15 December 2017, to enable the Council to finalise its recommendation to the Minister in this regard.

Submissions should be in writing and be addressed to:

National Agricultural Marketing Council

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