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GENERAL NOTICE

NOTICE 1199 OF 2005

NATIONAL AGRICULTURAL MARKETING COUNCIL

MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996

ACT No. 47 OF 1996

DAIRY INDUSTRY

- **REQUEST FOR THE INTRODUCTION OF STATUTORY MEASURES RELATING TO LEVIES, REGISTRATION, RECORDS AND RETURNS BY SECONDARY SECTOR ROLE-PLAYERS IN THE DAIRY INDUSTRY**
- **DIRECTLY AFFECTED GROUPS ARE INVITED TO FORWARD ANY COMMENTS REGARDING THE PROPOSED STATUTORY MEASURES TO THE NAMC**

It is hereby made known in terms of section 11 of the Marketing of Agricultural Products Act, 1996 (Act No 47 of 1996), that the Minister of Agriculture has received a request for the introduction and promulgation of statutory measures for levies, registration, the keeping of records and rendering of returns by secondary sector role-players in the dairy industry. These statutory measures will repeal the statutory measures that were promulgated in *Government Gazette* No 25837 of 19 December 2003.

The South African Processors' Organisation (SAMPRO), a directly affected group in the dairy industry, applied for the introduction of the following statutory measures:

- (a) In terms of section 13 and section 15 of the Act, levies on milk and other dairy products and to determine guideline prices for those products concerned,
- (b) In terms of section 13 and 19 of the Act, the registration of persons involved in the secondary sector of the dairy industry,

- (c) In terms of section 13 and 18 of the Act, the keeping of records and furnishing of returns in respect of milk and other dairy products by the secondary sector role-players in the dairy industry.

The statutory measures relating to levies, registration, records and returns refer to the following persons/institutions -

- (a) Persons, excluding retailers, that buy milk from one or more milk producers with the purpose to sell it as such, or to sell it after processing or to use it to manufacture other products,
- (b) Persons that import milk and other dairy products classifiable under customs tariff headings 04.01, 04.02, 04.03, 04.04, 04.05 or 04.06 with the purpose to sell it as such or to manufacture and sell other products, and
- (c) Persons who are milk producers and that sell the milk produced by them to retailers or consumers or that use such milk to manufacture other products.

The proposed products subject to the levies and the levies are as follows:

Customs Tariff Classification	Product description	Levy (Vat exclusive)
04.01	Milk and cream, not concentrated nor containing added sugar or other sweetening matter	1c per litre
04.02	Milk and cream, concentrated or containing added sugar or other sweetening matter	9,6c per litre
04.03	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not	3,6c per kg

	concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruits, nuts or cocoa	
04.04	Whey, whether or not concentrated or containing added sugar or other sweetening matter; Products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included	2,9c per kg
04.05	Butter and other fats and oils derived from milk, dairy spreads	10,3c per kg
04.06	Cheese and Curd	14,4c per kg

SAMPRO applied for the levy to finance the following functions, which are regarded as essential for the dairy industry -

**Percent of levy income
for the first year**

- | | |
|--|-----|
| <input type="checkbox"/> Consumer education | 45% |
| <input type="checkbox"/> Improvement of the quality of milk and other dairy products | 15% |
| <input type="checkbox"/> Empowerment of previously disadvantaged individuals | |
| - Primary dairy industry | 8% |
| - Secondary dairy industry | 11% |
| <input type="checkbox"/> Research and development | 6% |
| <input type="checkbox"/> Industry information | 5% |
| <input type="checkbox"/> Administration of regulatory measures | 10% |

It is envisaged that the dairy industry will collect a levy income of approximately R21,2 million per annum to finance the above-mentioned functions. It is proposed that Milk South Africa, a Section 21 Company, will be responsible for administering the proposed statutory measures.

As the statutory measures requested by the South African Milk Processors' Organisation are *prima facie* consistent with the objectives of the Marketing of Agricultural Products Act, No 49 of 1996, the Minister requested the National Agricultural Marketing Council (NAMC) to investigate the possible implementation of the relevant statutory measures and to report back to her within 60 days.

Directly affected groups in the dairy industry are kindly requested to submit any comments or objections regarding the proposed statutory measures to the National Agricultural Marketing Council within 14 days of the publication of this notice.

Submissions must be in writing and be addressed to:

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0001
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