

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

NOTICE 907 OF 2022



**National Agricultural
Marketing Council**
Promoting market access for South African agriculture

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PRESS RELEASE

BY THE NATIONAL AGRICULTURAL MARKETING COUNCIL

**REQUEST FOR THE CONTINUATION OF STATUTORY MEASURES RELATING TO
LEVIES, REGISTRATION AND RECORDS & RETURNS IN THE PORK INDUSTRY, IN
TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT**

**REQUEST FOR COMMENTS / INPUTS FROM ROLE PLAYERS
IN THE PORK INDUSTRY**

On 14 March 2022, the Minister of Agriculture, Land Reform and Rural Development received a request from the South African Pork Producers' Organisation (SAPPO), in terms of the Marketing of Agricultural Products Act (MAP Act), Act No 47 of 1996, for the continuation and amendment of statutory measures (registration, records & returns and statutory levies) in the pork industry.

SAPPO is a voluntary organisation established by pork producers in 1992 to act as the mouthpiece and representative organisation for pork producers in South Africa. It is proposed that statutory measures be implemented for a new period of three years from date of publication (1 November 2022) to 31 October 2025.

The current and proposed statutory measures applicable in the pork industry (the current statutory measures will expire on 31 October 2022), are as follows:

- Registration;
- Records & Returns; and
- Levies.

Council members: Mr. A. Petersen (Chairperson), Ms. T. Ntshangase (Deputy Chairperson), Prof. A. Jooste, Mr. S.J. Mhlaba, Ms. F. Mkile, Ms. N. Mokose, Ms. S. Naidoo, Mr. G. Schutte and Dr. S.T. Xaba.

The purpose and objective of the statutory measures in the pork industry are as follows:

- **Registration:**

The purpose of the statutory measure relating to registrations is to compel abattoirs slaughtering pigs and exporters of live pigs, to register with SAPPO.

- **Records & Returns:**

The purpose of the statutory measure relating to records & returns is to compel abattoirs and exporters of live pigs to render records and returns to SAPPO. These two statutory measures are necessary to ensure that continuous, timeous and accurate market information relating to pigs slaughtered, marketed and live pigs exported, is available to all role-players. Market information is deemed essential for all role-players in order for them to make informed decisions.

- **Statutory levies:**

The payment of the proposed **statutory levies** will finance the following functions:

- Consumer assurance;
- Consumer communication and education (local promotions);
- Research and development;
- Business intelligence (information);
- Corporate governance (administration); and
- Business development (transformation).

The following levy amounts are proposed:

Pigs slaughtered at abattoirs or live pigs exported	Current levy (Excluding VAT)	Proposed new levy* (Excluding VAT)		
	2021/22	2022/23	2023/24	2024/25
Levy	R13,41	R14,08	R14,78	R15,51

* The proposed levy will increase 5% annually.

The MAP Act stipulates that a statutory levy may not exceed 5% of the price realized 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 statutory levy for the 2022/23 financial year will be 0.7% of the calculated guideline price for a pork carcass (an average over three years) at the first point of sale.

The proposed business plan for the three (3) year period, is as follows:

	2022/2023	2023/24	2024/25
Pigs slaughtered at abattoirs or live pigs exported	3 701 468	3 829 168	3 961 275
Levy amount (excluding VAT)	R14,08	R14,78	R15,51
Less administration and abattoir fees	R2 605 833	R2 830 521	R3 071 969
TOTAL INCOME	R49 510 836	R53 764 582	R58 367 406
TOTAL EXPENDITURE	R49 510 834	R53 779 904	R58 367 401
Consumer assurance	R9 902 167	R10 755 981	R11 673 480
Consumer communication and education (local promotion)	R14 853 250	R16 133 971	R17 510 221
Research and development	R2 475 542	R2 688 995	R2 918 370
Business intelligence (Market information)	R7 426 625	R8 066 986	R8 755 110
Corporate governance (administration)	R4 951 083	R5 377 990	R5 836 740
Business development (transformation)	R9 902 167	R10 755 981	R11 673 480

The NAMC believes that the application by the pork industry for 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 pork industry are kindly requested to submit any comments, in writing, regarding the proposed statutory measures, on or before 8 April 2022, to enable the NAMC to finalise its recommendation to the Minister in this regard.

Submissions should be in writing and be addressed to:

National Agricultural Marketing Council

Private Bag X 935

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