

NON-GOVERNMENTAL ORGANIZATION

NOTICE 584 OF 2021

General Notice: SAMIC NPC

Increase in Meat Classification and Quality Indication Mark Inspection fees

Background

The South African Meat Industry Company (SAMIC) was founded by the Red Meat Industry Forum in 1997 after the disbandment of the Meat Board, to perform independent and impartial 3rd party inspections in the Red Meat Industry.

SAMIC was assigned by the National Department of Agriculture, Land Reform and Rural Development on 30 January 1998, to enforce the red meat classification regulations (No. R. 55 of 30 January 2015 in terms of the Agricultural Product Standards Act, 1990). This involves performing Meat Classification inspections/audits at abattoirs. The main purpose of the Red Meat Classification System is to ensure an even playing field. SAMIC also performs audits/inspections for Quality Indication Marks registered under the Agricultural Product Standards Act, 1990.

Proposed increase in fees

SAMIC currently conducts ten inspections per participating abattoir per annum, at the following tariffs –

High Throughput Abattoirs	R5 021.45/month (excl. VAT)
	Proposed increase from 1 January 2022 to: R5 197.00/month (excl. VAT)
Low Throughput Abattoirs	R3 195.88/month (excl. VAT)
	Proposed increase to: R3 308.00/month (excl. VAT)

(Abattoirs that slaughter more than 20 units per day are categorized in the high throughput category, and abattoirs that slaughter less than 20 units a day are categorized in the low throughput category)

In the case of Quality Indications Marks (e.g. "Natural", "Free range", "Wagyu", etc.), for the audits/inspections in terms of the meat classification regulations the following fees are applicable and proposed–

- Farms - 10% of farms involved per annum
R1 312.38/audit (excl. VAT) Proposed increase from 1/1/2022 to: R1 358.00/audit (excl. VAT)
- Feedlots - 2 x per annum
R3 217.84/audit (excl. VAT) Proposed increase from 1/1/2022 to: R3 331.00/audit (excl. VAT)
- Abattoirs - 2 x per annum
R2 548.55/audit (excl. VAT) Proposed increase from 1/1/2022 to: R2 638.00/audit (excl. VAT)
- Deboning Plants - 2 x per annum
R2 548.55/audit (excl. VAT) Proposed increase from 1/1/2022 to: R2 638.00/audit (excl. VAT)
- Trade/Franchise/Wholesale - 2x per annum
R624.04/audit (excl. VAT) Proposed increase from 1/1/2022 to: R646.00/audit (excl. VAT)
- Woolworths Farm Audits - 10% of total farms involved per annum
R4313.47/audit (excl. VAT) No proposed increase

Consultation process

SAMIC's proposed budget (including the proposed increase) was presented to the Red Meat Industry Forum* during the SAMIC AGM on 18 August 2021, where it was approved for the next financial year (1 January 2022 until 31 December 2022). SAMIC, as a non-profit company (NPC), compiles its budget based on the actual historical costs of visits and audits.

*The Red Meat Industry Forum consists of the following representative organisations –

- Red Meat Producers Organization for cattle
- Red Meat Producers Organization for small stock
- South African Pork Producers Organization
- National Emergent Red Meat Producers Organisation
- South African Meat Processors Association
- South African National Consumer Union
- National Federation of Meat Traders
- Skin, Hide and Leather Council
- Federation of Meat Traders Union
- South African Federation of Livestock Auctioneers
- Association for Meat Importers and Exporters
- Red Meat Abattoir Association
- South African Feedlot Association

Interested parties wishing to obtain further particulars or wishing to comment can do so by contacting:

SAMIC NPC
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Comments, in writing, must be provided to Mr R vd Westhuizen within 30 days of the publication hereof.