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## GENERAL NOTICES • ALGEMENE KENNISGEWINGS

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### DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES NOTICE 663 OF 2019



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### CAPE FLORA / FYNBOS INDUSTRY APPLICATION FOR THE CONTINUATION OF STATUTORY MEASURES ON FYNBOS PRODUCTS EXPORTED (EXPORT COLD CHAIN PRODUCTS ONLY)

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#### NAMC REQUESTING COMMENTS / INPUTS FROM INDUSTRY ROLE PLAYERS

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On 5 December 2019, Cape Flora SA (CFSA) applied on behalf of the fynbos industry for the continuation of statutory measures (registration, records & returns and levies) on fynbos products exported in terms of the Marketing of Agricultural Products Act (MAP Act) 1996. The current statutory measures on fynbos expires on 30 April 2020.

CFSA requested that the following statutory measures be approved for a new 4 (four) year period with effect from 1 May 2010 and to lapse 4 (four) years later.

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

The purpose and objective of the proposed statutory measures are as follows:

- The **payment of the levy**, in terms of section 15 of the MAP Act, will be used to finance the following:
  - Technical research, development & transfer (30%)
  - Statistics & information (10%)
  - Transformation & training (20%)
  - Administration (10%)
  - Market access and development (30%)

The following levy amounts on export volumes of cultivated fynbos products are proposed:

Carton Type	Current levy	2020/21	2021/22	2022/23	2023/24
S14	R2,20	R2,34	R2,48	R2,62	R2,78
S11	-	R1,83	R1,94	R2,06	R2,18
S22	-	R3,66	R3,88	R4,11	R4,36
S14 Mini	-	R1,17	R1,24	R1,31	R1,39

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. The proposed average statutory levy level (R2,34 per standard export carton) for 2020/21, would represent less than 1% of the average fynbos value per carton.

Proposed budget for the four (4) year period:

	2020/21	2021/22	2022/23	2023/24
	Rand	Rand	Rand	Rand
Technical research, development & transfer	150 930	163 680	177 525	192 510
Statistics & information	50 310	54 560	59 175	64 170
Transformation & training	100 620	109 120	118 350	128 340
Administration	50 310	54 560	59 175	64 170
Market access and development	150 930	163 680	177 525	192 510
Total	<b>503 100</b>	<b>545 600</b>	<b>591 750</b>	<b>641 700</b>

- Submitting **records and returns**, in terms of section 18 of the MAP Act and **Registration** in terms of section 19 of the MAP Act  
Submitting records and returns to CFSA and registration with CFSA will ensure the availability and provision of continuous, timeous and accurate information relating to the products indicated above, to all stakeholders in the industry deemed to be essential to ensure informed decision making and a stable and profitable industry.

CFSA indicated that no records or returns shall be required in terms of this measure which discloses confidential information of a marketing nature, and in particular, no returns disclosing, *inter alia*, contracting parties; purchasers of fynbos; prices of services or the prices obtained for fynbos, or any similar information.

By combining compulsory registration with the keeping of information and the rendering of returns on an individual basis, generic information for the whole of the industry can be processed and disseminated and will form the basis for the collection of levies where applicable and appropriate.

It is proposed that CFSA, a non-profit company established in terms of the Companies Act (as amended), 2008 (Act 71 of 2008), implement and administer the proposed statutory measures. The statutory levies for CFSA will be accounted for separately from other funds and activities within CFSA, in accordance with the prescriptions of the NAMC and the Auditor General.

The NAMC believes that the measures requested are consistent with the objectives of the MAP Act (as set out in section 2 of the Act).

Directly affected groups (e.g. exporters, agents, producers and packers) in the fynbos industry are kindly requested to submit any comments, in writing, regarding the proposed statutory measures, to the NAMC on or before 10 January 2020, to enable the Council to finalise its recommendation to the Minister in this regard.

ENQUIRIES:

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