

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

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REQUEST FOR STATUTORY MEASURES NAMELY REGISTRATION, RECORDS AND RETURNS AND THE CONTINUATION AND INCREASE OF STATUTORY LEVIES ON LUCERNE SEED AND LUCERNE HAY IN TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT, ACT NO 47 OF 1996 (MAP ACT) AS AMENDED

INVITATION TO DIRECTLY AFFECTED GROUPS IN THE LUCERNE INDUSTRY TO COMMENT ON THE REQUEST FROM THE NATIONAL LUCERNE TRUST

The National Agricultural Marketing Council (NAMC) and the Minister of Agriculture, Land Reform and Rural Development received a request from the National Lucerne Trust (NLT) for:

- the implementation of statutory measures, namely:
 - the keeping of records and the submission of returns to the NLT by dealers and processors of lucerne seed and hay, in terms of section 18 of the Marketing of Agricultural Products Act (MAP Act); and
 - the registration of producers, processors and dealers of lucerne seed and hay, in terms of section 19 of the MAP Act.
- the continuation and amendment of the statutory levies on lucerne seed and lucerne hay for a new period of four years, from 1 December 2022 until 30 November 2026, to be promulgated as follows (VAT excluded):

(The current levies payable amount to R1.00 per kg on clean seed; R8 per ton for lucerne hay not analysed by a Near Infrared Spectroscopy Instrument (NIR) Instrument; and R8 per ton for lucerne hay analysed by a NIR Instrument (VAT excluded) and will lapse on 14 November 2022)

LUCERNE PRODUCTS AND PERSONS RESPONSIBLE FOR PAYING THE LEVY	PROPOSED STATUTORY LEVY (VAT Excl) 1 December 2022 to 30 November 2026			
	Year 1 (1 Dec 2022 to 30 Nov 2023)	Year 2 (1 Dec 2023 to 30 Nov 2024)	Year 3 (1 Dec 2024 to 30 Nov 2025)	Year 4 (1 Dec 2025 to 30 Nov 2026)
Cleaned lucerne seed: Payable by the lucerne seed cleaner. May be recovered from the person submitting the lucerne seed concerned for cleaning.	R1.15 per kg	R1.20 per kg	R1.25 per kg	R1.30 per kg
Lucerne hay produced for commercial purposes not analysed by the NIR instrument: Payable by the owner of the NIR instrument. May be recovered from the person submitting such lucerne hay sample for analysis.	R125.00 per analysis	R130.00 per analysis	R135.00 per analysis	R140.00 per analysis
Lucerne seed imported for commercial purposes: Payable by the importer. May be recovered from the person importing the seed.	R1.00 per kg	R1.05 per kg	R1.10 per kg	R1.15 per kg

The request includes that the NLT be responsible for the collection and for the administration functions associated with the proposed statutory levies. Approximately 70% of levy income will be spent on functions such as Research and Development, Information and Technology Transfer, Quality Control and Certification Systems, not more than 10% on administration and at least 20% of total levy income on transformation.

The NLT is committed in developing the long-term sustainability and profitability, as well as the local and international competitiveness of the lucerne industry of South Africa. The estimated income from the proposed levies is between R2.0 million (for 2022/23) and R4.8 million (2025/26) per annum.

The proposed statutory levies will be used to fund, support and coordinate:

- Research and development - Active role in the coordination of need-driven lucerne research that supports and benefits the industry by ensuring continuous improvements and innovations regarding lucerne seed and hay.
- Information and technology transfer – Information and technology transfer by means of gathering, processing, and compiling relevant information, and disseminating the knowledge capital obtained, to ensure continuity, timeous, and accurate market and production information is available to all industry role players in the South African lucerne value chain.
- Quality control and certification systems – Quality control and certification systems by promoting and maintaining the lucerne seed cleaning, grading and/or classification standards and services, as well as the promotion, maintenance and further development of the National Lucerne Hay Grading and Quality Scheme.
- Training and skills development – Providing training and skills development through courses and workshops to lucerne hay producers, traders, processors, end-users and exporters, with specific emphasis on training near-infrared spectrophotometer operators, hay samplers, lucerne hay graders and animal feed nutritionists.
- Transformation – Transformation of previously disadvantaged individuals to ensure the development of emerging farmers and agripreneurs to grow and/or produce commercially in a sustainable way and to extend their access to marketing opportunities.
- Close Liaison – Close liaison between national, provincial and local government bodies, as well as local and international role players on industry-related issues to ensure the overall sustainability and profitability of the lucerne industry of South Africa.

As the proposed statutory measures requested by the NLT are consistent with the objectives of the Marketing of Agricultural Products Act, the NAMC will investigate the possible implementation of the relevant statutory measures and make recommendations to the Minister of Agriculture, Land Reform and Rural Development.

Directly affected groups in the lucerne industry are kindly requested to submit any comments or objections regarding the proposed statutory measures to the NAMC in writing (e-mail to lizettem@namc.co.za), on or before 25 November 2022, to enable the Council to formulate its recommendation to the Minister in this regard.