
GOVERNMENT NOTICES
GOEWERMENSKENNISGEWINGS

DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES
DEPARTEMENT VAN LANDBOU, BOSBOU EN VISSERYE

No. 1050

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MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996
(ACT NO 47 OF 1996)

ESTABLISHMENT OF STATUTORY MEASURE AND DETERMINATION OF
GUIDELINE PRICES: LEVY ON CATTLE, SHEEP, GOATS, MEAT PRODUCTS,
PROCESSED PORK, HIDES AND SKINS

I, Tina Joemat-Pettersson, Minister of Agriculture, Forestry and Fisheries, acting under sections 10, 13, 14 and 15 of the Marketing of Agricultural Products Act, 1996 (Act No, 47 of 1996), as amended, hereby establish the statutory measure set out in the attached schedule.

TINA JOEMAT-PETTERSSON

Minister of Agriculture, Forestry and Fisheries

SCHEDULE**Definitio:**

1. In this schedule any word or expression to which a meaning has been assigned in the Act shall have that meaning, and unless the context otherwise indicates –

"abattoir" means a slaughter facility as defined in section 1 of the Meat Safety Act, 2000 (Act No. 40 of 2000), save for those facilities that have been excluded from the application of this statutory measure by the Levy Administrator after application to the Levy Administrator, and where used in context of an obligation placed on an abattoir in this regulation, refers to the owner of the slaughter facility;

"DAFF" means the Department of Agriculture, Forestry and Fisheries within the ambit of the national Government;

"designated animals" for purposes of this regulation, means cattle, sheep and goats;

"head" means one designated animal irrespective of its age, size or weight or whether it is sold together with another animal, animals or offspring;

"hides and skins" means the hides and skins of designated animals;

"importer" means any person intending to or that has imported red meat or red meat products into the Republic of South Africa;

"import permit" means a permit issued under the Meat Safety Act, 2000 (Act No. 40 of 2000) or the Animal Diseases Act, 1984 (Act No 35 of 1984) by or on behalf of DAFF;

"issuing officer" means a person authorised to issue an import permit for the import of red meat or red meat products by or on behalf of DAFF;

"livestock agent" means any person who acts as the agent of the buyer or seller of designated animals, whether the risk of ownership of such designated animals has passed to such person or not;

"levy administrator" means Meat Statutory Measure Services, a section 21 company entrusted with the implementation, administration and enforcement of the statutory measure established in this regulation;

“red meat” means any carcase or part of a slaughtered and skinned designated animal, fresh or frozen which has not undergone any processing other than deboning, portioning, dicing, mincing, cooling or freezing;

“red meat products” means any product derived from the processing of red meat, other than only deboning, portioning, dicing, mincing, cooling or freezing, with or without the addition of other meat or food products;

“meat trader” means any person selling red meat or red meat products, whether operating independently or as part of a group or chain, and irrespective of whether such sale takes place through wholesale or retail outlets, but excluding a person who sells red meat, red meat products, or processed pork exclusively as part of that person's restaurant business or similar culinary trade;

“meat processor” means any person who conducts a business that involves producing red meat products or processed pork for commercial gain;

“owner” for the purposes of section 5 of this regulation means, in relation to any designated animal:

- (a) The person liable to pay the price charged by the abattoir in connection with the slaughter of that animal; or
- (b) The person on whose behalf the designated animal is delivered for slaughter, in the event that no price is charged by the abattoir in connection with the slaughter of the designated animal, or
- (c) The abattoir, if the abattoir was the last person to own or acquire the designated animal prior to the slaughter of such animal;

“person” includes natural and juristic persons, partnerships, trusts, voluntary associations, co-operatives and any other bodies, institutions or establishments, whether incorporated or not;

“processed red meat” means the meat of designated animals that has been altered, other than cutting and portioning, dicing and mincing such meat, to enhance the said meat;

“processed pork” means the meat of pigs that has been altered, other than cutting and portioning, dicing and mincing such meat, to enhance the said meat;

"processing" in relation to red meat, means altering the meat, other than cutting portioning, dicing and mincing such meat, to enhance the meat, and process and processes shall have a corresponding meaning;

"the Act" means the Marketing of Agricultural Products Act, 1996 (Act No.47 of 1996);

"year" for the purposes of section 5 of this regulation, means the 365 day period after the inception of this levy, and every subsequent such period.

Purpose and aim of this statutory measure and the relation thereof to the objectives of the Act

2 The red meat industry is the single largest agricultural sector in South Africa. As such there are a variety of functions that have been identified as crucial to the future development and sustainability of the sector for which a levy is a necessity. These functions are:

- (a) Consumer assurance
- (b) Consumer communication- and education
- (c) Transformation and development
- (d) Research and development
- (e) Industry liaison
- (f) Production development
- (g) Compliance to legislation; and
- (h) Administration

The levy is not detrimental to any of the objectives of the Act, and in particular will not be detrimental to the number of employment opportunities or fair labour practice in the red meat industry.

This statutory measure will be administered by the levy administrator who will act in terms of the mandate granted to it by the Red Meat Industry Forum, being the representative organ of the red meat industry.

This statutory measure is necessary to finance the above-mentioned functions and the levy will be utilized in accordance with the levy application submitted to the Minister. The Auditor-General will also be responsible to audit the statutory levies collected.

The actual beneficiaries of the levy will be determined by the Red Meat Industry Forum in accordance with their approved business plans and budgets for the purposes set out above.

Products to which statutory measure applies

- 3 The statutory measure shall apply to all:
- (a) designated animals, hides and skins, red meat and red meat products from designated animals as well as red meat and red meat products imported into the Republic of South Africa;
 - (b) designated animals exported live from the Republic of South Africa; and
 - (c) processed red meat and processed pork.

Area in which statutory measure shall apply

- 4 This statutory measure shall apply in the geographical area of the Republic of South Africa.

Imposition of levy

- 5 The following levies (VAT excluded) are hereby imposed in respect of designated animals, red meat, red meat products, processed red meat and processed pork, and hides and skins:

(a) Cattle:

Levy	Description
i. R3.87 per head	Deducted and retained from the selling price of each designated animal by the buyer of such animal. Provided that, in the event that the said buyer disposes of such animal other than by sale, export, or delivery to an abattoir for slaughter, or if such animal dies or is stolen before the said buyer disposes of it, the buyer shall pay the levy thus deducted and retained over to the levy administrator. For avoidance of doubt, the buyer is only intended to retain the levy thus deducted where the relevant designated animal is sold, exported or delivered to an abattoir for slaughter.
ii. R6.45 per head	Payable by the owner at slaughter, to the abattoir, who shall collect such levies and pay them over to the levy administrator. Where the abattoir is the owner, the abattoir shall make payment directly to the levy administrator.

- iii. R400 per year or part thereof during which the meat trader sells red meat, processed pork or red meat products Payable by each meat trader outlet to the levy administrator, in respect of each outlet through which that meat trader sells red meat, red meat products or processed red meat and processed pork.
- iv. R720 per container or consignment of red meat and/or red meat products to be imported Payable by the importer of red meat and/or red meat products to the levy administrator prior to the issuing of an import permit. The levy receipt number is to be submitted with the import permit application to the issuing officer (see Note (iii)).
- v. R6.45 per head exported live from the Republic of South Africa Payable to the levy administrator by the exporter at the point of exit.
- vi. 0.07% of commission on the sale of designated animals Payable by a livestock agent to the levy administrator, calculated on the commission collected by that agent in respect of the sale of designated animals.
- vii. 1.24c per kg of hides produced locally Payable by the processor of the hide to the levy administrator. 1.24c per kg will also be collected for every unprocessed hide exported, paid by the exporter to the levy administrator.

(b) Sheep and Goats:

Levy	Description
i. R0,83 per head	Deducted and retained from the selling price of each designated animal by the buyer of such animal. Provided that, in the event that the said buyer disposes of such animal other than by sale, export or delivery to an abattoir for slaughter, or if such animal dies or is stolen before the said buyer disposes of it, the buyer shall pay the levy thus deducted and retained over to the levy administrator. For avoidance of doubt, the buyer is only intended to

permanently retain the levy thus deducted where the relevant designated animal is sold, exported or delivered to an abattoir for slaughter.

- ii. R1.25 per head Payable by the owner at slaughter, to the abattoir, who shall collect such levies and pay them over to the levy administrator. Where the abattoir is the owner, the abattoir shall make payment directly to the levy administrator.
- iii. R400 per year or part thereof during which the meat trader sells red meat, processed pork or red meat products Payable by each meat trader to the levy administrator, in respect of each outlet through which that meat trader sells red meat, red meat products or processed red meat and processed pork.
- iv. R720 per container or consignment of red meat and/or red meat products to be imported Payable by the importer of red meat and/or red meat products to the levy administrator prior to the issuing of an import permit. The levy receipt number is to be submitted with the import permit application to the issuing officer (see Note (iii)).
- v. R1.25 per head exported live from the Republic of South Africa Payable to the levy administrator by the exporter at the point of exit.
- vi. 0.07% of the commission on the sale of designated animals Payable by a livestock agent to the levy administrator, calculated on the commission collected by that agent in respect of the sale of designated animals.
- vii. 1.24c per kg of skins produced locally Payable by the processor of the skin to the levy administrator. 1.24c per kg will also be collected for every unprocessed skin exported, paid by the exporter to the levy administrator.

(c) **Processed red meat and processed pork**

1.24c per kg of red meat, red meat products and/or pork purchased by meat processors for processing or further processing, to be paid over to the levy administrator by the meat processor.

NOTES:

- (i) Only one amount of R400 per year is payable by a meat trader in respect of each outlet through which the said meat trader sells red meat, red meat products or processed pork.
- (ii) A 3% collection fee may be deducted from the levies collected by the abattoir before the levies are paid over to the levy administrator.
- (iii) Every container or consignment to be imported will attract a R720 statutory levy charge payable by the applicant to the levy administrator. The receipt number of the paid levy is to be submitted with the import permit application to the issuing officer.
- (iv) Where an import permit is issued for more than one container or load per consignment then each individual container or load per consignment up to a maximum of 28mt will attract the R720 statutory levy charge payable by the applicant.
- (v) Where a master import permit is issued the R720 statutory levy will be payable by the applicant for every multiple of 25 mt.
- (vi) Exclusions: Where an import permit is issued for the importation of red meat and red meat products, where the quantity to be imported is less than 200kg then the statutory levy shall be waived for that import permit application.

Persons by whom and to whom the statutory levy shall be payable

- 6 The levy imposed under column one of section 5 shall be payable by the persons set out in column two of that section to the levy administrator or his designated agent within the period set out in section 8.

Guideline prices

7 The guideline prices for the different designated animals, meat products, red meat products, processed red meat and processed pork, hides and skins will be as follows:

(a) Cattle:

<u>Category</u>	<u>Guideline price</u>
i. Cattle	
- Weaners	R3,070 per head
- Slaughter stock	R4,500 per head
ii. Carcass price	Average price R19.30 / kg
iii. Meat Imported	Average price R18.50 / kg
iv. Cattle exported live	R4,500 per head
v. Hides	R7.50 / kg

(b) Sheep and Goats:

<u>Category</u>	<u>Guideline price</u>
i. Sheep and goats	
- Slaughter stock	R635 per head
- Lambs and kids	R400 per head
ii. Carcass price	Average price R26.00 / kg
iii. Meat imported	Average price R18.00 / kg
iv. Sheep & goats exported live	R635 per head
v. Skins	R27 / skin

(c) Processed red meat and processed pork

<u>Category</u>	<u>Guideline price</u>
(d) Processed red meat and processed pork.	Average price R15.00 / kg

Payment and enforcement of the levy administrator

8 A levy imposed in terms of this regulation shall be paid as follows:

8.1 to the levy administrator –

- (a) In the case of an event referred to in section 5 (a) ii, 5 (b) ii and 5 (c), within 14 days of the end of the calendar month within which the purchase, sale or other event, as the case may be, took place.
- (b) In the case of the levy referred to in section 5 (a) iii and 5 (b) iii, on or before the last day of March of the relevant year of which the levy is payable.
- (c) In the case of an event referred to in section 5 (a) v, vi and vii and 5 (b) v, vi and vii, within 14 days of the end of the calendar month within which the transaction took place.
- (d) In the case of an event referred to in section 5 (a) iv and 5 (b) iv, prior to the issuing of an import permit by the issuing officer.

8.1 Payment shall be made by means of a cheque or electronic bank transfer in favour of the levy administrator, and shall –

- (a) When paid by cheque, be addressed to:

Meat Statutory Measure Services
P O Box 36802
Menlo Park
Pretoria
0102

- (b) When electronically transferred, be paid to the account number obtainable from the levy administrator.

8.2 Any abattoir as defined in this regulation may apply to the levy administrator for exemption from the provision of regulation 5 (a) ii or 5 (b) ii on the grounds that it is a welfare organisation as defined in terms in section 1 of the Value Added Tax Act, 1991 (Act 89 of 1991).

8.3 The implementation, administration and enforcement of the statutory measure established in this regulation are entrusted to the Meat Statutory Measure Services, a Section 21 Company, established in terms of Section 14 of the Act.

Escalation

9 It is envisaged that the levy be escalated from the third year of this levy period to the following amounts:

5 (a) i	R4.26	5 (b) i	R0.90
5 (a) ii	R7.10	5 (b) ii	R1.38
5 (a) iii	R450	5 (b) iii	R450
5 (a) iv	R792	5 (b) iv	R792
5 (a) v	R7.10	5 (b) v	R1.38
5 (a) vii	1.37c/kg	5 (b) viii	1.37c/kg
		5 (c)	1.37c/kg

Use of the Levy

10 The Minister approves that-

- (a) At least 70% of the levy funds should be used for activities relating to consumer assurance, consumer communication and education, research and development, industry liaison, production development and compliance to legislation;
- (b) Not more than 10% for levy administration; and
- (c) Approximately 20% be allocated towards transformation.

Commencement and period of validity

11 This statutory measure shall come into operation on 5 November 2010 and will lapse after a period of four years.