
GENERAL NOTICES ALGEMENE KENNISGEWINGS

NOTICE 1218 OF 2013

DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES

MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996

(ACT No. 47 OF 1996)

CONTINUATION OF AND AMENDMENT TO LEVIES ON MILK AND OTHER DAIRY PRODUCTS AND THE DETERMINATION OF GUIDELINE PRICES IN RESPECT OF MILK AND OTHER DAIRY PRODUCTS

I, Tina Joemat-Pettersson, Minister of Agriculture, Forestry and Fisheries, acting under sections 13 and 15 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996) hereby -

- (a) establish the levies on milk and other dairy products as set out in the Schedule hereto; and
- (b) determine the guideline prices for milk and other dairy products as set out in the Schedule.

**TINA JOEMAT- PETERSSON,
MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES.**

SCHEDULE

1. Definitions

In this Schedule any word or expression to which a meaning has been assigned in the Act shall have that meaning, unless the context otherwise indicates -

“consumers” means the end users of milk;

“milk producer” means a person that produces milk by the milking of cows, goats or sheep;

“retailers” means persons that sell milk directly to consumers; and

“the Act” means the Marketing of Agricultural Products Act, 1996 (Act 47 of 1996), as amended.

2. The products subject to the levies and the levies are as follows:

Customs Tariff Classification	Product Description	Levy (Vat exclusive)
04.01	Milk and cream, not concentrated nor containing added sugar or other sweetening matter	1,3c per kg
04.02	Milk and cream, concentrated or containing added sugar or other sweetening matter	12,5c per kg
04.03	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruits, nuts or cocoa	4,7c per kg
04.04	Whey, whether or not concentrated or containing added sugar or other sweetening matter; Products consisting of natural milk constituents,	3,8c per kg

	whether or not containing added sugar or other sweetening matter, not elsewhere specified or included	
04.05	Butter and other fats and oils derived from milk, dairy spreads	13,4c per kg
04.06	Cheese and Curd	18,7c per kg

3. The levies set out under 2 shall be paid by:
- a) Persons who buy raw (unprocessed) milk for the purpose of processing it or to use it to manufacture other products, or to sell it to persons located outside the jurisdiction of the Republic of South Africa, or to move it outside the jurisdiction of the Republic of South Africa;
 - b) Persons who import a product which is subject to a levy in terms of 2;
 - c) Persons who are milk producers and who process the raw (unprocessed) milk produced by them, or use it to manufacture other products, or who sell it to consumers, or who sell it to persons located outside the jurisdiction of the Republic of South Africa, or who move it outside the jurisdiction of the Republic of South Africa; and
 - d) Persons who sell raw (unprocessed) milk to retailers.
4. The levies set out under 2, shall be paid by the persons listed in 3 to Milk SA not later than 15 days after the month in which the actions that created the levy liability, took place.

5. The payment of levies shall be accompanied by the levy return form as prescribed by Milk SA. Payment and levy return forms shall –

(a) when forwarded by post, be addressed to:

Milk SA
PO Box 1961
Brooklyn Square
0075

(b) when delivered by hand, delivered to:

Milk SA
Brooklyn Forum Building
Ground Floor (GL004)
C/o Fehrsen & Veale Street
Brooklyn
Pretoria

(c) when paid electronically, should be made to:

Milk SA
ABSA Bank
Acc. No. 405 895 6897
Branch: Brooklyn
Code: 634 156

The return form can electronically be conveyed to Milk SA at:

admin@milksa.co.za

6. The statutory measure described in this schedule shall –
- (a) apply within the geographical area of the Republic of South Africa; and
 - (b) come into operation on the date of publication hereof and shall lapse on 31 December 2017.
7. The purpose of the levies set out under 2, is to finance actions that are necessary to further, in respect of the dairy industry, the objectives set out in section 2(2) of the Act and it is as follows:
- a) **Consumer Education**
From a national point of view and to promote the viability of the dairy industry, consumers should be informed of the health and nutritional advantage of milk and other dairy products. Informed consumers will not only contribute to the national well-being in respect of nutrition and health, but especially also to the viability and sound development of the dairy industry. The education will be conducted in such a way that it will not erode the marketing activities of any firm in the dairy industry that are aimed at differentiating its products from that of competitors.
 - b) **Improvement of the quality of milk and other dairy products**
From a nutritional and health point of view, milk and other dairy products have an important role to play in the national household. The products are perishable and may pose a risk to consumers. As a result, actions are required to promote the quality of milk and other dairy products and the compliance with legal standards. Such actions will contribute significantly to the viability of the dairy industry because it will increase certainty in the market regarding the quality of the products and that will impact positively on the size of the market.

c) Empowerment of previously disadvantaged individuals

The viability of the dairy industry is significantly influenced by the extent to which previously disadvantaged individuals are empowered. Empowerment will not only impact positively on the viability of the industry but also on the other objectives of the Act. The focus of the empowerment to be financed from the income of levies will, *inter alia*, be the facilitation of the transfer of knowledge and skills and liaison and coordination with the different role players in respect of empowerment. Such action will also not only contribute to the viability of the dairy industry but also to the other objectives of the Act as it will promote market access, efficiency of marketing of dairy products and export earnings.

d) Research and Development

Research and development are required to promote not only the viability of the dairy industry but also to promote the achievement of the other objectives of the Act as set out in section 2(2) of the Act. Research is fragmented and action is required to ensure co-ordination and that research and development are functional in respect of the strategic direction of the industry namely broadening of the market for milk and other dairy products, improvement of international competitiveness of the South African industry and empowerment of previously disadvantaged individuals. Furthermore action is required to promote the practical application of local and international research and development in South Africa.

e) Industry Information

Statistical information and other information regarding the dairy industry in South Africa and internationally and analysis of such information are required to promote market access in respect of the dairy industry, the efficiency of marketing of milk and other dairy products, and the viability of

the dairy industry. The information regarding the dairy industry and the analysis thereof make market signals visible for role players in the industry which is a prerequisite for the effective functioning of markets and the prevention of the wasteful use of national resources. Also it provides information required by Government institutions and contributes significantly to the achievement of the relevant objectives of the Act.

The requested levies can in no way impact negatively on any of the matters set out in section 2 (2) and section 2 (3) of the Act.

Collectively, the requested measure will create a more viable dairy industry that will enhance the matters set out in section 2 (3) of the Act namely food security, number of employment opportunities and fair labour practice.

8. The expenditure of the income from the levies during the period in respect of which the levies exists, shall be determined in such way that:
 - (a) not more than 10 per cent of the income from the levies be spend on the administration of the measure described in this schedule, and
 - (b) at least 20 per cent of the income from the levies is spend on empowerment of previously disadvantaged individuals.
9. The collection of the levies and the use of the income from the levies by Milk SA, shall be annually subject to audit by the Auditor-General.
10. Confidential information of any person subject to the statutory measure, obtained by Milk SA through the implementation, administration and enforcement of this statutory measure, shall be dealt with by Milk SA in accordance with section 23 (2) of the Act.

The guideline prices for milk and other dairy products shall be as follows:

Guideline prices

Customs Tariff Classification	Product description	Guideline Price R/kg
04.01	Milk and cream not concentrated nor containing added sugar or other sweetening matter	3.54
04.02	Milk and cream, concentrated or containing added sugar or other sweetening matter	39.00
04.03	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruits, nuts or cocoa	17.40
04.04	Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter not elsewhere specified or included	11.00
04.05	Butter and other fats and oils, derived from milk, dairy spreads	38.00
04.06	Cheese and Curd	51.00

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