

DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES
NOTICE 211 OF 2019



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DECIDUOUS FRUIT INDUSTRY
APPLICATION FOR THE CONTINUATION OF STATUTORY MEASURES ON POME AND STONE FRUIT

NAMC REQUESTING COMMENTS / INPUTS FROM INDUSTRY ROLE PLAYERS

On 1 April 2019, the Minister of Agriculture, Forestry and Fisheries received a request from HORTGRO, on behalf of Hortgro Pome and Hortgro Stone, for the continuation of statutory measures (levies, records & returns and registration) on pome fruit (apples and pears) and stone fruit (plums / prunes, peaches / nectarines and apricots) in terms of the Marketing of Agricultural Products Act (MAP Act) 1996.

HORTGRO requested that the proposed statutory measures be approved for a new 4 (four) year period with effect from 1 October 2019 and lapse 4 (four) years later.

Currently, the following statutory measures are applicable on pome and stone fruit, namely –

- The payment of levies in terms of Section 15 of the MAP Act;
 - Traditional and trade and market development levy on -
 - i. Fresh pome and stone fruit (domestic and export) as well as processed apples (these measures lapse on 5 November 2019);
 - ii. Dried tree fruit (these measures lapse on 27 October 2020);
- Keeping of records and returns in terms of Section 18 of the MAP Act; and
- Registration of persons in terms of Section 19 of the MAP Act.

HORTGRO requested that the current statutory measures on pome and stone fruit be continued and extended as follows -

- The payment of levies in terms of Section 15 of the MAP Act;
 - Traditional levy on -
 - i. Fresh pome and stone fruit (domestic and export) as well as processed apples;
 - ii. Dried tree fruit;
 - Trade and market focused levy on -
 - iii. Pome and stone fruit exported (export levy);
 - iv. Fresh stone fruit delivered to local fresh produce markets (local market levy);
 - v. Dried tree fruit trade and market focussed levy (this is a new levy)
- Keeping of records and returns in terms of Section 18 of the MAP Act; and
- Registration of persons in terms of Section 19 of the MAP Act.

Council Members: Prof P.K. Chauke (Chairperson), Mr. H. Prinsloo (Deputy Chairperson), Mr. S. Faku, Ms. F. Mkhle, Mr. H. Mohane, Mr. B. Mokgatle, Ms. N. Mokose, Prof. D. Rangaka, Mr. G. Schutte, Mr. Z. Wapi

This application by HORTGRO includes dried tree fruit (pome and stone). Previously the dried tree fruits application was done by Dried Fruit Technical Services (DFTS) and covered dried tree and vine fruits. However, DFTS rebranded itself and Raisins South Africa was formed and will in future only represents dried vine fruits. The dried tree fruits were incorporated within the respective pome and stone fruit industry bodies. Therefore statutory measures on dried tree fruits are included in this application.

In terms of registration and records & returns, it is argued that the maintenance of macro industry statistics and market information is critical for long-term planning relating to production, orderly marketing and infrastructural capacity by the industry (producers and exporters), Government and service / input suppliers.

According to HORTGRO, the registration, in terms of section 19 of the MAP Act, of producers, exporters, retailers, fresh produce markets, trade, processors and juice plants will ensure the availability and provision of continuous, timeous and accurate information relating to the products and adherence to sound fruit handling discipline and protocols, business principles and ethical trading as well as to administer the requested statutory measures.

Furthermore, submitting records and returns, in terms of section 18 of the MAP Act, 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.

HORTGRO indicated that no information 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 fruit; prices of services or the prices obtained for fruit, or any similar information.

The payment of the levy, in terms of section 15 of the MAP Act, will be used to finance the following:

- Scientific research & development and associated technology transfer;
- Technical market access, protocols and product standards;
- Plant material acquisition, including cultivar and / or rootstock development and international procurement;
- Independent evaluation (cultivars and rootstocks);
- Plant improvement and certification;
- Trade, market intelligence and market development;
- Economic development and land reform;
- Skills & human resource development, including socio-economic development;
- Industry information and statistics;
- Communication; and
- Good governance & industry representation.

The proposed levy amounts are as follows:

i. Traditional levy on pome and stone fruit exported, and domestically delivered –

	Current 2018/19	Proposed 2019/20	Proposed 2020/21	Proposed 2021/22	Proposed 2022/23
Apples and pears	4.75 c/kg	5.00 c/kg	5.30 c/kg	5.60 c/kg	6.00 c/kg
Processed apples	R8.75 /ton	R9.20 /ton	R9.70 /ton	R10.40 /ton	R11.00 /ton
Apricots	19.00 c/kg	20.00 c/kg	21.00 c/kg	22.50 c/kg	24.00 c/kg
Peaches & nectarines	12.00 c/kg	12.60 c/kg	13.40 c/kg	14.00 c/kg	15.00 c/kg
Plums and prunes	15.75 c/kg	16.50 c/kg	17.50 c/kg	18.60 c/kg	20.00 c/kg

ii. Dried tree fruits levy (apricots, apples, peaches, prunes, nectarines and pears) -

	Current 2018/19	Proposed 2019/20	Proposed 2020/21	Proposed 2021/22	Proposed 2022/23
Drying *	18,00 c/kg	21,00 c/kg	21,00 c/kg	25,00 c/kg	25,00 c/kg
Trade & market focused levy* (new levy)	(not applicable)	6,00 c/kg	6,00 c/kg	8,00 c/kg	8,00 c/kg

* dried kilograms

iii. Export levy on all pome and stone fruit exported -

Market development levy	Current 2018/19	Proposed 2019/20	Proposed 2020/21	Proposed 2021/22	Proposed 2022/23
Apples and pears	2,80 c/kg	2,80 c/kg	2,85 c/kg	2,90 c/kg	3,00 c/kg
Apricots	10,00 c/kg	10,50 c/kg	11,00 c/kg	11,80 c/kg	12,60 c/kg
Peaches & nectarines	20,00 c/kg	21,00 c/kg	22,20 c/kg	23,70 c/kg	25,00 c/kg
Plums and prunes	9,50 c/kg	10,00 c/kg	10,80 c/kg	11,30 c/kg	12,00 c/kg

iv. Domestic market levy on fresh stone fruit -

	Current 2018/19	Proposed 2019/20	Proposed 2020/21	Proposed 2021/22	Proposed 2022/23
Peaches & nectarines	4,20 c/kg	4,20 c/kg	4,50 c/kg	4,70 c/kg	5,00 c/kg
Plums and prunes	2,00 c/kg	2,00 c/kg	2,10 c/kg	2,20 c/kg	2,40 c/kg

The utilisation of levies will be continue to be aligned with the guidelines and directives of the NAMC with annual reporting to the NAMC and the Auditor General.

The NAMC believes that the statutory 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. agents, certification bodies, exporters, export inspection bodies, fresh produce markets, producers, processors and traders) in the pome and stone industry are kindly requested to submit any comments, in writing, regarding the proposed statutory measures, to the NAMC on or before 10 May 2019, to enable the Council to finalise its recommendation to the Minister in this regard.

ENQUIRIES:

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