
GENERAL NOTICES • ALGEMENE KENNISGEWINGS

**DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES
NOTICE 278 OF 2017**

**National Agricultural
Marketing Council**
Promoting market access for South African agriculture

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**WINE INDUSTRY
APPLICATION FOR THE CONTINUATION OF STATUTORY MEASURES**

NAMC REQUESTING COMMENTS / INPUTS FROM INDUSTRY ROLE PLAYERS

On 27 March 2017, the Minister of Agriculture, Forestry and Fisheries received a request from the wine industry, in terms of the Marketing of Agricultural Products Act (MAP Act), Act No 47 of 1996, for the continuation of the statutory measures (registration, records & returns and levies) in the wine industry.

The applicants for the proposed continuation of the statutory measures are SALBA (South African Liquor Brand owners' Association), and VinPro, who respectively represents wine traders, wine grape producers and wine cellars. The applicants therefore, represents the payers of the wine statutory levy.

Currently, the following statutory measures are applicable in the wine industry and will expire on 31 December 2017:

- Registration;
- Records & Returns; and
- Levies
 - o Information levy;
 - o Research and development levy (R&D levy);
 - o Wine export generic promotion levy (Export levy); and
 - o Empowerment and transformation levy (Transformation levy).

Furthermore, it is proposed that the new statutory measures be implemented for a new four year term from date of publication (1 January 2018) to 31 December 2021.

It is proposed that the following Non Profit Companies namely 1) SAWIS (SA Wine Industry Information and Systems); 2) WINETECH (Wine Industry Network of Expertise and Technology); 3) WOSA (Wines of South Africa) and 4) Transformation Unit (SA Wine Industry Transformation Unit) continue to be responsible for the implementation of the requested statutory measures.

The purpose and objective of the statutory measures in the wine industry are as follows:

- **Registration and Records & Returns.**

To ensure that continuous, timeous and accurate information is available to all role players. Market information is deemed essential for all role players in order for them to make informed decisions. By combining compulsory registration with the keeping of information and the rendering of returns on an individual basis, market information for the whole of the industry can be processed and disseminated and will form the basis for the collection of levies. SAWIS will be responsible in this regard.

- Payment of the **statutory levy amount** for the funding of the following functions in the wine industry, namely:

• Information levy

To fund the continued implementation, administration and enforcement of the statutory measures relating to registration and records & returns and to fund the processing, auditing, verification and dissemination of information. This levy will also be used for the continued running of the wine industry library and facilitating market research.

• R&D levy

To co-ordinate and fund research and development, innovation training, technology and knowledge transfer in the wine industry.

• Export levy

To generically promote SA wines on selected export markets and to improve the efficiency of the export process.

• Transformation levy

To continue to facilitate social and economic development and transformation in the wine industry through programmes such as economic empowerment and development, social development and upliftment and human resource development and training in support of broad based Black Economic Empowerment.

It should be noted that a product is levied once only per levy, for example, if grapes intended for the production of wine was levied for the information levy, it will not be levied in another format (such as packaged wine) again for the information levy.

The following levy amounts are proposed:

	Research and Development levy	Information levy	Transformation levy	Export levy
Grapes intended for the production of wine	(currently 21,14)	(currently 13,23)	(currently 2,80)	-
Rand per ton	2018: 22,33 2019: 23,59 2020: 24,92 2021: 26,32	2018: 13,93 2019: 14,70 2020: 15,54 2021: 16,38	2018: 3,01 2019: 3,22 2020: 3,43 2021: 3,64	
Grape juice concentrate intended for use in wine at 17.4 degrees Balling	(currently 3,02)	(currently 1,89)	(currently 0,40)	-
cents per litre	2018: 3,19 2019: 3,37 2020: 3,56 2021: 3,76	2018: 1,99 2019: 2,10 2020: 2,22 2021: 2,34	2018: 0,43 2019: 0,46 2020: 0,49 2021: 0,52	
Bulk drinking wine	(currently 3,02)	(currently 1,89)	(currently 0,40)	(currently 10,47)
cents per litre	2018: 3,19 2019: 3,37 2020: 3,56 2021: 3,76	2018: 1,99 2019: 2,10 2020: 2,22 2021: 2,34	2018: 0,43 2019: 0,46 2020: 0,49 2021: 0,52	2018: 11,24 2019: 12,07 2020: 12,96 2021: 13,92

Packaged drinking wine	(currently 3,02)	(currently 1,89)	(currently 0,40)	(currently 13,20)
cents per litre	2018: 3,19 2019: 3,37 2020: 3,56 2021: 3,76	2018: 1,99 2019: 2,10 2020: 2,22 2021: 2,34	2018: 0,43 2019: 0,46 2020: 0,49 2021: 0,52	2018: 14,18 2019: 15,24 2020: 16,38 2021: 17,61
Distilling wine or wine spirit at 10% alcohol per volume	(currently 2,60)	-	-	-
cents per litre	2018: 2,74 2019: 2,89 2020: 3,05 2021: 3,22			

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. For the proposed statutory levies the guideline price varies between 0,94% (grapes intended for production of wine) and 3,41% (bulk drinking wine).

The NAMC believes that the continuation of the proposed statutory measures is consistent with the objectives of the MAP Act (as set out in section 2 of the Act).

Directly affected groups (e.g. wine producers, wine traders, wine spirit producer, and exporters of drinking wine) in the wine industry are kindly requested to submit any comments, in writing, regarding the proposed statutory measures, to Mathilda van der Walt (mathilda@namc.co.za and or fax 086 552 1572) on or before 5 May 2017, to enable the NAMC to finalise its recommendation to the Minister in this regard.