

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

NO. 744

20 August 2021

NATIONAL AGRICULTURAL MARKETING COUNCIL

**REQUEST FOR THE CONTINUATION OF STATUTORY MEASURES RELATING TO
LEVIES, REGISTRATION AND RECORDS & RETURNS ON TABLE EGGS IN TERMS OF
THE MARKETING OF AGRICULTURAL PRODUCTS ACT (ACT No. 47 OF 1996, as
amended)**

It is hereby made known that, in terms of section 10 of the Marketing of Agricultural Products Act, 1996 (Act No.47 of 1996) (MAP Act), the Minister of Agriculture, Land Reform and Rural Development has received a request from the table egg industry for the continuation of statutory measures relating to levies, registrations, the keeping of records and rendering of returns. The applicant for the proposed statutory measures is the South African Poultry Association (SAPA) on behalf of the Egg Organisation. SAPA is a voluntary Organisation established by poultry producers in 1904 to act as the mouthpiece and representative Organisation for poultry producers in South Africa.

The Egg Organisation of SAPA, proposed a levy of **R 0,019 cents** (excluding VAT) per dozen of eggs to be applied on table eggs sold to the trade as prescribed by **regulation R345 (as amended) and egg products** sold to the trade. The levy will escalate by **5.56% in (year 1)**, then **5.26% (in year 2)**, **5% (in year 3)** and **4.76% (in year 4)**. The estimated income from the proposed statutory levies is between R9.3 million (for 2022/23) and R11,6 million per annum (for 2024/25). The proposed statutory levies will finance the following functions, namely-

- Empowerment and development of black emerging layer producers;
- Consumer education;
- Consumer assurance;
- Research and development;
- Industry information, liaison, and training;
- Producer bio-security education and veterinary guidance;
- Poultry disease management assistance; and
- Administration.

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. In terms of this application, the levy will apply on a dozen of table eggs

sold to the trade (VAT excluded) from 1 April 2022 to 31 March 2025. The average net prices of a dozen of table eggs for the past three years were as follows:

Table eggs sold to the trade	Price/dozen
2018	R16.69
2019	R14.10
2020	R14.67
Average	R15.15

The proposed statutory levies will only be 0.14% of the calculated guideline price of a dozen of table eggs (an average over three years) at first point of sale.

The purpose of the statutory measure relating to registrations is to compel sellers of table eggs and egg products to the trade, to register with the administrator of the statutory measures (the Egg Organisation of SAPA). The purpose of the statutory measure relating to records & returns is to compel the sellers of table eggs and egg products to the trade to render records and returns to the administrator of the statutory measures. These statutory measures are necessary to ensure that continuous, timeous and accurate market information relating to table eggs and egg products sold to the trade is available to all role-players. Market information is deemed essential for all role-players in order for them to make informed decisions.

The National Agricultural Marketing Council (NAMC) took cognisance that the proposed continuation of statutory measures relating to levies, registrations, the keeping of records and rendering of returns as requested by the Egg Organisation of SAPA, is consistent with the objectives of the MAP Act. The request is currently being investigated by the NAMC and recommendations in this regard will be made to the Minister in the near future.

Directly affected groups in the table egg industry are kindly requested to submit any comments, regarding the proposed statutory measures to the NAMC on or before 3 September 2021, to enable the Council to finalise its recommendation to the Minister in this regard.

Submissions should be in writing and be addressed to:

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