

GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

NOTICE 1046 OF 2022



Block A | 4th Floor | Meintjiesplein Building | 536 Francis Baard Street | Arcadia | 0002
 Private Bag X935 | Pretoria | 0001
 Tel: 012 341 1115 | Fax: 012 341 1811/1911
<http://www.namc.co.za>

APPLICATION FOR THE CONTINUATION OF STATUTORY MEASURES: LEVIES IN TERMS OF
 THE MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996, (ACT NO 47 OF 1996), (MAP ACT)
 AS AMENDED

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**INVITATION TO DIRECTLY AFFECTED GROUPS IN THE OILSEEDS INDUSTRY
 TO FORWARD COMMENTS REGARDING THE REQUEST FROM THE
 SA CULTIVAR AND TECHNOLOGY AGENCY (SACTA), FOR THE CONTINUATION
 OF LEVIES ON SOYBEANS FOR BREEDING AND TECHNOLOGY PURPOSES**

On 22 April 2022, the National Agricultural Marketing Council (NAMC) received a request from the South African Cultivar and Technology Agency NPC (SACTA) on behalf of specific role players in the oilseeds industry, that the Minister of Agriculture, Land Reform and Rural Development approve the continuation of the statutory levy on soybeans until February 2025. This application was made in terms of section 15 of the Marketing of Agricultural Products Act, Act No 47 of 1996 (MAP Act). The purpose of the statutory levy is to finance new breeding technology in the soybean industry.

The request includes the following periods and levy rates (VAT excluded) to be administered by SACTA, to be approved by the Minister:

Commodity	Period	Amount (VAT Excl)
Locally produced soybeans	1/3/2023 to 28/2/2024	R66 per metric ton
	1/3/2024 to 28/2/2025	R92 per metric ton

In 2016, grain and oilseeds industry role-players acknowledged the need for a sustainable industry research funding strategy in respect of self-pollinated crops. It was subsequently decided to introduce breeding and technology levies to ensure a sustainable research funding model. This model is based, *inter alia*, on the Australian end-point royalty system.

According to the applicant, royalty collection systems are widely utilised on the actual yield of crops. These royalty collection systems are essentially risk sharing mechanisms, whereby beneficiaries of research are expected to pay a royalty (levy) based on accrued benefits (yield or utilisation of the crop) as a result of breeding activities. On 1 March 2019 a statutory levy was imposed on soybeans and subsequently extended to 28 February 2023. The levy amounts were R57 per ton in the first year and R55 per ton in the second year. This levy proved to be very beneficial to the soybean industry and the industry therefore fully supports the further continuation thereof.

SACTA was established to act as Administrator of the Breeding and Technology Levy System. The Board of Directors of SACTA includes industry role-players that are directly affected by the payment and/or utilisation of the levies, as well as two representatives appointed by the Minister of Agriculture, Land Reform and Rural Development. The aim is for SACTA to eventually administer breeding and technology levies on most self-pollinated crops.

According to the applicant, the levy system is very effective and payments to the appropriate seed marketing companies will again soon be made in respect of the 2021/2022 marketing