

**GOVERNMENT NOTICE  
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**DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES  
DEPARTEMENT VAN LANDBOU, BOSBOU EN VISSERYE**

No. R. 977

16 October 2009

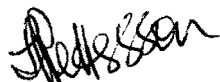
**MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996**

**(ACT No. 47 OF 1996)**

**ESTABLISHMENT OF STATUTORY MEASURE AND DETERMINATION OF  
GUIDELINE PRICES: LEVY RELATING TO SORGHUM**

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 statutory measure set out in the Schedule hereto; and
- (b) determine that the guideline price for sorghum is R1 239 per metric ton.



25/9/2009

**TINA JOEMAT-PETTERSSON,**

**MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES.**

## SCHEDULE

### Definitions

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

**"buyer"** means any person or entity that buys sorghum from a producer.

**"dealing in the course of trade"** means every purchase of sorghum from the producer thereof by any person, if the sorghum so purchased or any quantity thereof, is or is intended to be disposed of by that person for any consideration whatsoever, whether in its original form or as a manufactured or processed product of sorghum.

**"exporter"** means any person or entity that exports sorghum from the Republic of South Africa.

**"importer"** means any person or entity that imports or brings sorghum from another country into the Republic of South Africa;

**"producer"** means any person or entity that produces sorghum or a person or entity on whose behalf sorghum is produced;

**"processor"** means any person or entity that deals with sorghum products in the course of trade, or a producer who uses his own sorghum produce to manufacture any product or to use it as an input or raw material for any other commercial purpose or an importer who uses the sorghum imported by him to manufacture any product or to use it as an input or raw material for any other commercial purpose.

**"SAGIS"** means the South African Grain Information Service, an association not for gain incorporated under section 21 of the Companies Act, 1973 (Act No. 61 of 1973);

"**sorghum**" means the threshed, ripe seed of plants of *Sorghum bicolor* (L.) Moench, but not seed sorghum or sorghum utilised as silage.

"**Sorghum Trust**" is a discretionary trust registered by the Master of the High Court under registration number IT 9221/97.

"**the Act**" means the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996).

### **Purpose and aim of statutory measure and its relation to objectives of the Act**

2. The purpose and aim of this statutory measure is to provide financial support for sorghum information, transformation and research functions, which have been identified by the sorghum industry as essential, in the interests of the industry as a whole.

This measure advances all the objectives as set out in section 2(2) of the Act:

#### *Section 2(2)(a): Increasing market access for all market participants*

Research and Information are generic functions that are the basic prerequisites for an orderly industry. Transformation projects are principally aimed at the empowerment of black people in terms of:

- (i) the cultivation of sorghum cultivars that are acceptable to the commercial sorghum industry; and
- (ii) the transfer of farming technology and relevant information.

The supply of continuous generic market information to market participants is essential in identifying possible opportunities and threats in the market place. It can also be used as an instrument for pricing decisions, business expansion, capital investment, product development and market access within the sorghum industry.

Section 2(2)(b): Promoting efficiency of marketing of agricultural products

In the free market environment, reliable industry information supplied by an independent and objective organisation (SAGIS) is critical for a silo owner, producer, trader, processor, researcher, seed grower and to Government. It also provides the necessary tool for strategic planning by the sorghum industry.

The sorghum industry supports the principle that generic market information be obtained by means of statutory measures in terms of the Act and that SAGIS should be the official vehicle to achieve this. SAGIS also operates as the official information service provider for the maize, wheat and oilseeds industries. A statutory levy is required to ensure that the sorghum industry also shares in the gathering and dissemination of market information.

Proper and accurate market information that is continuously and timeously available, will not only increase market access for all participants, but will also promote efficiency in the marketing of sorghum and sorghum products. Furthermore, proper market information will enhance the viability of the sorghum industry and the agricultural sector at large. Market information will also enhance food security, as the market can only function properly if the national stock levels are known.

Research projects are mainly of an agronomical nature, which include the improvement of sorghum quality. Local malting and milling qualities of sorghum are unique and cultivars are developed to comply with the required specifications.

Notwithstanding limited high-potential arable land and unfavourable agricultural conditions, the sorghum industry has achieved high agronomical and grain quality standards, due to the continued funding of research projects. The complex interaction between changing crop patterns and external factors that affect them, such as diseases and pests, often impact negatively on production and quality. This creates an urgent demand for new technology in order to keep the sorghum industry profitable and viable.