

NOTICE 1568 OF 2005**NATIONAL AGRICULTURAL MARKETING COUNCIL
MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996
(ACT No. 47 OF 1996)**

WINE INDUSTRY -

- **APPLICATION FOR THE INTRODUCTION OF STATUTORY MEASURES (LEVIES, REGISTRATION AND RECORDS & RETURNS) IN THE WINE INDUSTRY**
 - **DIRECTLY AFFECTED GROUPS ARE INVITED TO FORWARD ANY COMMENTS REGARDING THE PROPOSED STATUTORY MEASURES**
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It is hereby made known in terms of section 11 of the Marketing of Agricultural Products Act, **1996** (Act No. **47** of **1996**), that the Minister of Agriculture has received a request for the introduction and promulgation of statutory measures for levies, registration, the keeping of records and the rendering of returns.

The SA Wine & Brandy Company (SAWB), on behalf of the directly affected groups in the wine industry applied for the statutory measures. The SAWB was established in 2003 to represent the interests of the wine industry. The leadership of the SAWB consists of industry bodies (organised in chambers), representing producers, labour, cellars and merchants.

The SAWB has applied for a new term for the following statutory measures that are currently in place in the wine industry (due to lapse on **31** October 2005):

- Registration
- Records and returns
- Statutory levies:
 - Information levy (to fund the continued implementation, administration and enforcement of the statutory measure relating to registration and records and returns and the processing, auditing, verification and

dissemination of information. This levy will also be used for the continued running of the wine industry library)

- o Research and development (to fund research and development, training and technology transfer in the wine industry)
- o Wine export generic promotion levy (to generically promote SA wines on selected export markets and to improve the efficiency of the export process)

In addition the SAWB has applied for the introduction of the following two new statutory levies in the wine industry:

- Combating alcohol abuse levy (to fund programmes and campaigns, aimed at the prevention and reduction of alcohol related harm. Including initiatives in the fields of education, research, primary prevention, capacity development, information resource development and maintenance, industry self-regulation and policy development)
- Empowerment and transformation levy (to coordinate and fund development and training in the wine industry and to influence transformation initiatives throughout the industry)

It is proposed that the statutory measures be established for four years as from 1 November 2005.

The SAWB proposes that the levies be increased on 1 July of each year by the average CPIX for the preceding calendar year or by 5%, whichever is the lower. The table below gives an indication of the expected levy amount for the final term (1 July 2009 to 31 October 2009), using 2004's average CPIX (4,3%) for the initial amount and the 5% cap increase thereafter. According to the application (this is also the case for the existing levies) a product is only levied once per levy. For example, if bulk wine was levied, it will not again be levied in packaged format.