

**NOTICE 1290 OF 2005**

DEPARTMENT OF AGRICULTURE

MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996

(ACT No. 47 OF 1996)

REQUEST FOR AN AMENDMENT TO A STATUTORY MEASURE FOR COTTON

RELATING TO LEVIES TO BE PAID

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 **an** amendment to a statutory measure in terms of section 10 of the said Act as set out in the Schedule hereto.

Directly affected **groups** are hereby invited to lodge any objection or representation regarding the proposed statutory measure with the National Agricultural Marketing Council within 14 days of the publication thereof.

Submissions should be in writing and be addressed to:

**The Chairperson  
National Agricultural Marketing Council  
Private Bag X 935  
PRETORIA  
0001  
Fax No.: (012) 341 1811  
Enquiries: Ms Lizette Mellet  
Tel.: (012) 341 1115**

**Ronald Ramabulana  
CEO: NATIONAL AGRICULTURAL MARKETING COUNCIL**

**APPLICATION FOR AN AMENDMENT OF STATUTORY MEASURE (LEVIES) ON  
COTTON IN TERMS OF THE MARKETING OF AGRICULTURAL PRODUCTS ACT,  
1996 (ACT NO 47 OF 1996), AS AMENDED**

**1. AMENDMENT OF STATUTORY MEASURE – LEVIES**

The statutory measure that is requested to be amended, is that the Minister in terms of section 15 of the Act, by notice in the Government Gazette, direct that the levy amounting to 17 cents per kg cotton lint (excluding VAT), also be made applicable on all cotton lint imported into South Africa for further processing, and be made payable by the importers to Cotton SA.

**2. INFORMATION REQUIRED BY SECTION 10 OF THE ACT**

The particulars as required by section 10 of the Act to be included in a request for the amendment to a statutory measure, are as follows:

- 2.1 The amendment to the statutory measure, would relate to cotton lint. (Cotton lint is the fibre derived from seed cotton after the seed cotton has been ginned).
- 2.2 The categories of directly affected groups which would probably be effected by the establishment of the proposed statutory measure, are those groups of persons who are party to the purchase of seed cotton from producers, those persons who process seed cotton for the sale of the products derived therefrom, persons who import or export seed cotton or products derived therefrom, persons who import cotton lint and those persons who produce seed cotton.
- 2.3 Letters of support for the proposed statutory measure on cotton, by the different categories of directly affected and other groups in the cotton industry, were not yet received.
- 2.4 The proposed statutory measure will apply to the whole of the Republic of South Africa, in order to have a uniform levy.
- 2.5 According to the applicant, the amendment to the statutory measure applied for, will further the objectives of the Act as stipulated in section 2(2) thereof. Such amendment will also not contravene section 2(3) of the Act.
- 2.6 The manner in which the objectives referred to in section 2(2) of the Act will be furthered (namely the increasing of market access for all market participants, the promotion of the efficiency of the marketing of agricultural products, the optimisation of export earnings from agricultural products and the enhancement of the viability of the agricultural sector), are summarised in the following motivation by the applicant:

“The principle that a commodity should take responsibility for the financing of its industry functions is generally accepted but in the case of cotton, only a certain sector currently bears this responsibility, namely the cotton farmers. Although the current levy is payable by ginner on cotton lint produced, this levy is indirectly recovered from cotton farmers in that ginner take the levy into account when announcing new season producer prices.