
GOVERNMENT NOTICE

DEPARTMENT OF AGRICULTURE

No. R. 1075

31 October 2005

MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996

(ACT No. 47 OF 1996)

WINE INDUSTRY: ESTABLISHMENT OF STATUTORY MEASURES AND
DETERMINATION OF GUIDELINE PRICES

I, Angela Thokozile Didiza, Minister of Agriculture, acting under sections 13, 15, 18 and 19 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), hereby –

- (a) establish the statutory measures set out in the Schedule;
- (b) determine that the guideline price for –
 - (i) grapes intended for the production of wine shall be R4042,00 per ton;
 - (ii) grape juice concentrate intended for use in wine shall be 203,32 cents per litre at 17.4 degrees Balling;
 - (iii) drinking wine shall be 343,86 cents per litre;
 - (iv) distilling wine and wine spirit shall be 90,41 cents per litre at 10 per cent alcohol by volume; and
 - (v) export wine shall be 343,86 cents per litre;


A.T. DIDIZA,

Minister of Agriculture.

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 –

“bottler” means any person who renders services in respect of bottling, stabilising, blending, filtering, labelling or storage on behalf of wine producers or wine traders, but is not registered as such;

“Department” means the Department of Agriculture of the National Government;

“drinking wine” includes grape juice used in the production of drinking wine and drinking wine **used** in the production of other alcoholic products;

“export levy” means the statutory measure referred to in clause 8;

“export wine” means drinking wine exported from the Republic of South Africa;

“grapes” means grapes intended for the production of drinking wine or distilling wine;

“grape juice” means grape juice and grape juice concentrate intended for use in drinking wine or other alcoholic products;

“grape producer” means any producer of grapes intended for the production of drinking wine or distilling wine;

“in **bulk**” means a container of more than five litres;

“information levy” means the statutory measure referred to in clause 9;

“registration measure” means the statutory measure referred to in clause 5;

"research levy" means the statutory measure referred to in clause 7;

"returns measure" means the statutory measure referred to in clause 6;

"SAWIS" means the South African Wine Industry Information and Systems, a company incorporated under section 21 of the Companies Act, 1973 (Act No. 61 of 1973);

"SAWSEA" means the South African Wine and Spirit Exporters' Association operating as "Wines of South Africa" or "WOSA";

"statutory measure" means –

- (a) export levy;
- (b) registration measure;
- (c) research levy;
- (d) returns measure; and
- (e) transformation levy;

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

"transformation levy" means the statutory measure referred to in clause 10;

"vines" means vines intended for the production of grapes;

"wine exporter" means any person who exports drinking wine who is not registered as a wine producer or wine trader;

"wine producer" means any person who crushes grapes and who is not registered as a wine trader;

"wine spirit" means any spirit derive from wine, wine lees or husks;

"WETU" means the Wine Industry Empowerment and Transformation Unit;

"WINETECH" means the Wine Industry Network of Expertise and Technology;

"wine trader" means any person not registered as a wine producer who purchases or otherwise acquires -

(a) grapes;

(b) drinking wine, distilling wine or wine spirit, in bulk from a wine producer

Purpose ~~and aims of establishment of statutory measures and the relation~~ thereof to the objectives of the Act

2. (1) (a) The purpose and aims of the registration measure are to compel the parties set out herein to register with SAWIS. Registration is necessary to assist SAWIS in ensuring that continuous, timeous and accurate information relating to the products defined, is available to all role players. Market information is deemed essential for all role players in order for them to make informed decisions. By combining compulsory registration with the keeping-of information and the rendering of returns on an individual basis, market information for the whole ~~of~~ the industry can be processed and disseminated and will form the basis ~~for the collection of levies.~~ — — — — —

(b) The registration measure should assist in promoting the efficiency of the marketing of products. The viability of the wine industry will thus be enhanced. The registration measure will not be detrimental to the number of employment opportunities or fair labour practice.

- (c) The registration measure will be administered by SAWIS. SAWIS will implement and administer the registration measure as set out in the Schedule.
- (2)
 - (a) The purpose and aims of the returns measure is to compel the parties set out herein to keep records and render returns to SAWIS. This is necessary to ensure that continuous, timeous and accurate information relating to the products defined, is available to all role players. Market information is deemed essential for all role players in order for them to make informed decisions. By prescribing the keeping of records with the rendering of returns on an individual basis, market information for the whole of the industry can be processed and disseminated.
 - (b) The returns measure will assist in promoting the efficiency of the marketing of products. The viability of the wine industry will be enhanced. The returns measure will not be detrimental to the number of employment opportunities or fair labour practice. Any information obtained will be dealt with in a confidential manner and no sensitive or potentially sensitive client-specific information will be made available to any party without the prior approval of the party whose rights are affected.
 - (c) The returns measure will be administered by SAWIS. SAWIS will implement and administer the returns measure as set out in the Schedule.
- (3)
 - (a) The objectives of the research levy are -
 - (i) to support the wine industry with expertise, enabling it to be cost effective while producing quality wines and other grape based products through the application of environmentally friendly technologies;

- (ii) to support the training and education of individuals for the industry – at all levels in terms of skills, knowledge and insight development – in order to ensure the practical implementation of the best knowledge and most advanced technologies in viticulture, wine making and other grape based products;
 - (iii) to establish a culture of technological innovation, to ensure the ongoing utilization of the best technology within the industry, and to facilitate its dissemination to all the sectors of the industry;
 - (iv) to facilitate the development of resources for the poor and previously disadvantaged producers and to improve their access to the industry by making leading edge appropriate technology available to such producers;
 - (v) to facilitate world leadership in selected niche areas of the wine industry through WINETECH's network of scientific and technological expertise;
 - (vi) to commission relevant and thoroughly planned research, technology development and technology transfer in the promotion of the industry's technological capabilities and in the attainment of the other objectives.
- (b) The research levy will not be detrimental to the number of employment opportunities or fair labour practice.
- (c) The research levy will be administered by WINETECH. WINETECH will implement and administer the research levy as set out in the Schedule.
- (d) The research levy will be collected by SAWIS, who will act on behalf of WINETECH in this regard. WINETECH is the actual beneficiary of

the research levy who will utilise it in accordance with their business plan.

- (4) (a) The objective of the export levy aims at increasing the profit margin for the industry for each focus market. This promotion will enhance the image of South Africa as a quality wine producer and increase opportunities for growth in new markets. It will assist South Africa to remain competitive in the global market place. In addition, it will assist in capacity building among all exporters, in particular Small, Micro and Medium Enterprises (SMME's) and Black Economic Empowerment Enterprises (BEE's).
 - (b) The export levy will not be detrimental to the number of employment opportunities or fair labour practice.
 - (c) The export levy will be administered by SAWSEA. **SAWSEA** will implement and administer the export levy as set out in the Schedule.
 - (d) The export levy will be collected by SAWIS, who will act on behalf of SAWSEA in this regard. SAWSEA is the actual beneficiary of the levy who will utilise it in accordance with their business plan.
- (5) (a) The information levy is needed by SAWIS to fund the registration of industry role players, and ensure the collection and dissemination of information. These measures are necessary to ensure that continuous, timeous and accurate information relating to various products in the wine industry, is available to all role players in order for them to make informed decisions.
 - (b) The information levy will not be detrimental to the number of employment opportunities or fair labour practice and is a necessity in view of the registration and returns measures

- (c) The information levy will be administered by SAWIS. SAWIS will implement and administer the information levy as set out in the Schedule.
- (6) (a) The objective of the transformation levy is to facilitate development and transformation in the wine industry through programmes such as economic empowerment and development, social development and upliftment and human resources development and training. The beneficiaries of these programmes are previously disadvantaged individuals and groups.
- (b) The transformation levy will not be detrimental to the number of employment opportunities or fair labour practice.
- (c) The transformation levy will be administered by WETU. WETU will implement and administer the transformation levy as set out in the Schedule.
- (d) The transformation levy will be collected by SAWIS, who will act on behalf of WETU in this regard. WETU is the actual beneficiary of the levy who will utilise it in accordance with their business plan.

Products to which statutory measures apply

- 3. (1) The registration measure shall apply to grapes, grape juice, drinking wine, distilling wine and wine spirit.
- (2) The returns measure shall apply to vines, grapes, grape juice, grape juice concentrate, drinking wine, distilling wine and wine spirit.
- (3) The research levy shall apply to grapes, grape juice concentrate, drinking wine, distilling wine and wine spirit.

- (4) The information levy and transformation levy shall apply to grapes, grape juice concentrate and drinking wine.
- (5) The export levy shall apply to export wine.

Area in **which** statutory measures shall apply

4. The statutory measures shall apply within in geographical area of the Republic of South Africa.

Registration measure

- 5. (1) (a) All bottlers, grape producers, grape juice producers, wine exporters, wine producers and wine traders shall register with SAWIS.
 - (b) A person shall have a choice to register as either a wine producer or wine trader, but not both.
 - (c) A person who is a grape producer as well as a wine producer or wine trader shall register as a grape producer and as a wine producer or wine trader.
- (2) Application for registration shall –
- (a) be made within 30 days of becoming a bottler, grape producer, grape juice producer, wine exporter, wine producer or wine trader, as the case may be;
 - (b) be made on the application form obtainable free of charge from **SAWIS**;
 - (c) be submitted, when forwarded by post, to –

SAWIS, P.O. Box 238, Paarl, 7620

- (d) when delivered by hand, be delivered to -

SAWIS, Main Road 312, Paarl

- (e) when sent by telefax, be addressed to -

(021) 8711360

Returns measure

6. (1) All bottlers, grape producers, wine exporters, wine producers and wine traders shall keep such records and render the returns as may be required by SAWIS relating to -

(a) vines;

(b) **grapes;**

(c) grape juice, grape juice concentrate, drinking wine, distilling wine and wine spirit produced, received, stored, sold, exported or otherwise utilised.

- (2) The Department shall render a copy of all export documents required by SAWIS or furnish information required by SAWIS regarding exports within **15** days after the end of each calendar month.

- (3) The records referred to in subclause (1) shall -

(a) be recorded on a computer or with ink in a book;

(b) be kept at the registered premises of the person required to keep it for a period of at least three years.

(4) The returns referred to in subclause (1) shall be rendered on forms obtainable free of charge for this purpose from SAWIS within **15** days after the end of each calendar month and shall –

(a) be submitted, when forwarded by post, to –

SAWIS, P.O. Box 238, Paarl, 7620

(b) when delivered by hand, be delivered to –

SAWIS, Main Road 312, Paarl

(c) when sent by telefax, be addressed to—

(021) 8711360

Research and development levy

7. (1) A research and development levy is hereby imposed on –

(a) grapes;

(b) grape juice concentrate;

(c) drinking wine;

(d) distilling wine; and

(e) wine spirit.

(2) The amount of the research and development levy shall –

(a) in the case of grapes, be **R11,34** per ton;

- (b) in the case of grape juice concentrate, be 1,62 cent per litre at 17,4 degrees Balling;
 - (c) in the case of drinking wine, be 1,62 cent per litre;
 - (d) in the case of distilling wine and wine spirit, be 1,40 cent per litre at 10 per cent alcohol by volume.
- (3) The research and development levy shall –
- (a) be payable by a wine producer in respect of –
 - (i) drinking wine and wine spirit packaged in containers of 5 litres or less;
 - (ii) wine spirit sold to another wine producer;
 - (iii) wine spirit produced by a wine producer and used for fortification of that wine producer's own drinking wine.
 - (b) be payable by a wine trader in respect of –
 - (i) grapes purchased;
 - (ii) grapes used for production of his or her own drinking wine or distilling wine;
 - (iii) grape juice concentrate, drinking wine, distilling wine and wine spirit, in containers of more than 5 litres, acquired from a wine producer.
- (4) The research and development levy shall be payable to **SAWIS**, acting on behalf of WINETECH, in accordance with subclause (5).

- (5) (a) Payment of the research and development levy shall be made not later than sixty days following the month of delivery of a quantity of grapes, grape juice concentrate, drinking wine, distilling wine or wine spirit sold, purchased or otherwise acquired.
- (b) Payment shall be made by means of a cheque or electronic transfer in favour of SAWIS, and shall –
 - (i) when paid by cheque, be addressed to –

SAWIS, P O Box 238, Paarl, 7620
 - (ii) when electronically transferred, be paid to the bank account obtainable from SAWIS on request.

Wine export generic promotion levy

- 8. (1) A wine export generic promotion levy is hereby imposed on export wine.
- (2) The amount of the wine export generic promotion levy shall –
 - (a) in the case of export wine in bulk, be 5,83 cent per litre; and
 - (b) otherwise, be 8,0 cent per litre.
- (3) The wine export generic promotion levy shall be paid by the exporter.
- (4) The wine export generic promotion levy shall be payable to SAWIS, acting on behalf of SAWSEA, in accordance with subclause (5).
- (5) (a) Payment of the wine export generic promotion levy shall be made not later than 60 days following the month of export.

(b) Payment shall be made by means of a cheque or electronic transfer in favour of SAWIS, and shall –

(i) when paid by cheque, be addressed to –

SAWIS, P.O. Box 238, Paarl, 7620

(ii) when electronically transferred, be paid to the bank account obtainable from SAWIS on request.

(6) SAWSEA may, in accordance with criteria determined by it, grant exemption from the payment of the wine export generic promotion levy for a consignment of wine exported if satisfied that such exemption will not frustrate the purpose and aims of this statutory measure.

Information levy

9. (1) An information levy is hereby imposed on –

(a) grapes;

(b) grape juice concentrate; and

(c) drinking wine.

(2) The amount of the information levy shall –

(a) in the case of grapes, be R7,35 per ton;

(b) in the case of grape juice concentrate, be 1,05 cent per litre at 17,4 degrees Balling;

(c) in the case of drinking wine, be 1,05 cent per litre.

(3) The information levy shall –

(a) be payable by a wine producer in respect of drinking wine packaged in containers of 5 litres or less.

(b) be payable by a wine trader in respect of–

(i) grapes;

/ (ii) grape juice concentrate in containers of more than 5 litres, acquired from a wine producer; and

(iii) drinking wine in containers of more than 5 litres, acquired from a wine producer.

(4) The information levy shall be payable to SAWIS in accordance with subclause (5).

(5) (a) Payment of the information levy shall be made not later than sixty days following the month of delivery of a quantity of grapes, grape juice concentrate or drinking wine sold, purchased or otherwise acquired.

(b) Payment shall be made by means of a cheque or electronic transfer in favour of SAWIS. and shall –

(i) when paid by cheque, be addressed to –

SAWIS, P O Box 238, Paarl, 7620

(ii) when electronically transferred, be paid to the bank account obtainable from SAWIS on request.

Empowerment and transformation levy

10. (1) An empowerment and transformation levy is hereby imposed on –
- (a) grapes;
 - (b) grape juice concentrate; and
 - (c) drinking wine.
- (2) The amount of the empowerment and transformation **levy** shall –
- (a) in the case of grapes, be **R2,12** per ton;
 - (b) in the case of grape juice concentrate, be **0,30** cent per litre at **17,4** degrees Balling;
 - (c) in the case of drinking wine, **be 0,30** cent per litre.
- (3) The empowerment and transformation levy shall –
- (a) be payable by a wine producer in respect of drinking wine packaged in containers of 5 litres or less.
 - (b) **be** payable by a wine trader in respect of-
 - (i) grapes;
 - (ii) grape juice concentrate in containers of more than 5 litres, acquired from a wine producer; and
 - (iii) drinking wine in containers of more than 5 litres, acquired from a wine producer.
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- (4) The empowerment and transformation levy shall be payable to **SAWIS**, acting on behalf of **WETU**, in accordance with subclause (5).
- (5) (a) Payment of the empowerment and transformation levy shall be made not later than sixty days following the month of delivery of a quantity of grapes, grape juice concentrate or drinking wine sold, purchased or otherwise acquired.
- (b) Payment shall be made by means of a cheque or electronic transfer in favour of **SAWIS**, and shall –
- (i) when paid by cheque, be addressed to –
SAWIS, P O Box 238, Paarl, 7620
 - (ii) when electronically transferred, be paid to the bank account obtainable from **SAWIS** on request.

P riod f validity

11. The statutory measures shall be established from 1 November 2005 and lapse on 31 October 2009.
