

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

NO. 1653

31 December 2021

**MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996
(ACT No. 47 OF 1996)**

**CONTINUATION OF STATUTORY LEVIES ON MILK AND OTHER DAIRY
PRODUCTS AND THE DETERMINATION OF GUIDELINE PRICES IN RESPECT OF
MILK AND OTHER DAIRY PRODUCTS**

I, Angela Thoko Didiza, Minister of Agriculture, Land Reform and Rural Development, acting under sections 10, 13, 14 and 15 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996) hereby -

- (a) Amend the levies and other requirements as provided for in Regulation 1398, dated 15 December 2017, and to change it to be as set out in the attached Schedule; and
- (b) Determine the guideline prices for milk and other dairy products as set out in the attached Schedule.

**MRS ANGELA THOKOZILE DIDIZA
MINISTER FOR AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT**

SCHEDULE

1. Definitions

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

“**consumers**” means the end users of milk;

“**milk producer**” means a person that produces milk by the milking of cows, goats or sheep;

“**retailers**” means persons that sell milk directly to consumers; and

“**the Act**” means the Marketing of Agricultural Products Act, 1996 (Act 47 of 1996), as amended.

2. The products subject to the levies and the levies are as follows:

Customs Tariff Classification	Product Description	Levy (Vat exclusive)			
		2022 c/kg	2023 c/kg	2024 c/kg	2025 c/kg
04.01	Milk and cream, not concentrated nor containing added sugar or other sweetening matter.	1.71	1.77	1.84	1.92
04.02	Milk and cream, concentrated or containing added sugar or other sweetening matter.	16.38	17.04	17.72	18.43
04.03	Buttermilk, curdled milk and cream, yogurt, kephir, and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruits, nuts or cocoa.	6.17	6.41	6.67	6.94
04.04	Whey, whether or not concentrated or	4.98	5.19	5.39	5.60

	containing added sugar or other sweetening matter; Products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included.				
04.05	Butter and other fats and oils derived from milk, dairy spreads.	17.59	18.29	19.03	19.78
04.06	Cheese and Curd.	24.54	25.53	26.55	27.61

3. The levies set out under 2 shall be paid by:
 - a) Persons who buy raw (unprocessed) milk for the purpose of processing it or to use it to manufacture other products, or to sell it to persons located outside the jurisdiction of the Republic of South Africa, or to move it outside the jurisdiction of the Republic of South Africa;
 - b) Persons who import a product which is subject to a levy in terms of 2;
 - c) Persons who are milk producers and who process the raw (unprocessed) milk produced by them, or use it to manufacture other products, or who sell it to consumers, or who sell it to persons located outside the jurisdiction of the Republic of South Africa, or who move it outside the jurisdiction of the Republic of South Africa; and
 - d) Persons who sell raw (unprocessed) milk to retailers.

4. The levies set out under 2, shall be paid by the persons listed in 3 to Milk SA not later than 15 days after the month in which the actions that created the levy liability, took place.

5. The payment of levies shall be accompanied by the levy return form as prescribed by Milk SA. Payment and levy return forms shall –

- (a) when forwarded by post, be addressed to:

Milk SA
PO Box 1961
Brooklyn Square
0075

- (b) when delivered by hand, delivered to:

Milk South Africa NPC
Brooklyn Court Building B
First Floor
361 Veale Street
Nieuw Muckleneuk
Brooklyn
Pretoria
0181

- (c) when paid electronically, should be made to:

Milk SA
ABSA Bank
Acc. No. 405 895 6897
Branch: Brooklyn
Code: 634 156

The return form can electronically be conveyed to Milk SA at:

admin@milksa.co.za

6. The statutory measure described in this schedule shall –
- (a) apply within the geographic area of the Republic of South Africa;
and
 - (b) come into operation on 1 January 2022 and shall lapse on 31 December 2025.
7. The purpose of the levies set out under 2, is to finance actions that are necessary to further, in respect of the dairy industry, the objectives set out in section 2(2) of the Act and it is as follows:
- a) **Consumer Education**
From a national point of view and to promote the viability of the dairy industry, consumers should be informed of the health and nutritional advantage of milk and other dairy products. Informed consumers will not only contribute to the national well-being in respect of nutrition and health, but especially also to the viability and sound development of the dairy industry. The education will be conducted in such a way that it will not erode the marketing activities of any firm in the dairy industry that are aimed at differentiating its products from that of competitors.
 - b) **Improvement of the quality of milk and other dairy products**
From a nutritional and health point of view, milk and dairy products have important roles to play in the national household. In order to protect the integrity of milk and other dairy products, consumer interest and fair competition, the promotion of compliance of these products with the compositional, food safety and metrology standards are required. Also, work must be conducted to deal with amendments of these standards, the creation of new standards in light of, for example,

technological developments and the work of Codex, as well as voluntary standards to which references are made in the legal standards. The abovementioned actions are important issues in respect of the viability of the dairy industry and the growth of the markets for the products concerned.

c) Empowerment of previously disadvantaged individuals

The activities consist of support to Black enterprise development in the dairy industry.

The Black dairy enterprise development activities are managed by the Transformation Manager of Milk SA and in respect of it, the following:

- It consists of support for black enterprises in the dairy industry based on analysis of the factors that limit the development of the enterprises concerned;
- The support is in terms of a holistic approach which recognises that success in the dairy industry is also dependent on factors outside the control of the individual enterprises. As a result, Milk SA also facilitates support for the enterprises concerned from bodies in public and private sectors such as input suppliers and other parties in the value chain; and
- The support which Milk SA provides to black enterprises includes the provision of cows, electricity, milking equipment, dairy animal health services, feed, assistance to meet the legal and regulatory requirements applicable to the dairy industry, to obtain skills and knowledge required, as well as to establish pastures.

d) Research and Development

The objective is to promote research and development that is functional in respect of the strategic direction of the South African dairy industry, namely to improve the competitiveness of the dairy industry, broadening

the market for dairy products and empowerment of previously disadvantaged individuals.

Environmental issues are of increasing importance and require research and interaction with international bodies and different government departments, as well as interaction between members of the South African dairy industry, in order to deal with environmental issues of collective importance.

The fields of knowledge relevant to the dairy industry are especially the fields in respect of soil, plants, dairy animals, milk and other dairy products, environmental issues and production, processing and manufacturing technologies.

Milk SA takes actions that promote coordination between research institutions, research that is functional in respect of the strategic direction of the South African dairy industry and the practical application of local and international research results and development by the South African dairy industry. These actions are taken in consultation with government research institutions and other research institutions.

e) Industry Information

Statistical information and other information regarding the dairy industry in South Africa and internationally and analysis of such information are required to promote market access in respect of the dairy industry, the efficiency of marketing of milk and other dairy products, and the viability of the dairy industry. The information regarding the dairy industry and the analysis thereof make market signals visible for role players in the industry which is a prerequisite for the effective functioning of markets and the prevention of the wasteful use of national resources. Also, it provides information required by Government institutions and contributes significantly to the achievement of the relevant objectives of the Act.

f) Dairy technical skills and knowledge development

The dairy industry demands employees with specialised dairy technical skills and knowledge and the provision of such skills and knowledge is of crucial importance to facilitate transformation in the industry and the competitiveness of the industry, which is a prerequisite for the growth of the industry and transformation in the dairy industry;

Some of the actions to promote skills and knowledge can only be dealt with by projects of Milk SA financed by Milk SA from income from the levies. The reason for this is that such actions are of true collective interest, the actions cannot be financed in any other way, and it is required to enable people to obtain officially recognised part or full qualifications.

The specific actions are:

- Continuous evaluation in order to determine whether due to factors like technology development, changing production and manufacturing procedures and requirements set by relevant bodies in the public sector, amendment is necessary of, for example, the curriculum, learning materials, assessment tools and qualifications;
- Interactions in respect of acts, regulations, policies and procedures regarding knowledge and skills development in light of the needs of the dairy industry, with the authoritative bodies in the public sector and representatives of other industries; and
- Guidance in respect of skills and knowledge development to members of the dairy industry and promotion of it.

The requested levies can in no way impact negatively on any of the matters set out in section 2 (2) and section 2 (3) of the Act.

Collectively, the requested measure will create a more viable dairy industry that will enhance the matters set out in section 2 (3) of the Act namely food security, number of employment opportunities and fair labour practice.

8. The expenditure of the income from the levies during the period in respect of which the levies exist, shall be determined in such way that:
 - (a) not more than 10 per cent of the income from the levies be spend on the administration of the measure described in this schedule, and
 - (b) at least 20 per cent of the income from the levies is spend on empowerment of previously disadvantaged individuals.

9. The collection of the levies and the use of the income from the levies by Milk SA, shall be annually subject to audit by the Auditor-General.

10. Confidential information of any person subject to the statutory measure, obtained by Milk SA through the implementation, administration and enforcement of this statutory measure, shall be dealt with by Milk SA in accordance with section 23 (2) of the Act.

The guideline prices for milk and other dairy products shall be as follows:

Guideline prices

Customs Tariff Classifi- cation	Product Description	Guideline Prices R/kg	Levy as a percentage of the guideline price			
			2022 %	2023 %	2024 %	2025 %
04.01	Milk and cream, not concentrated nor containing added sugar or other sweetening matter	5.50	0.31	0.32	0.33	0.34
04.02	Milk and cream, concentrated or containing added sugar or other sweetening matter	75.00	0.21	0.22	0.23	0.24

04.03	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruits, nuts or cocoa	24.00	0.25	0.26	0.27	0.28
04.04	Whey, whether or not concentrated or containing added sugar or other sweetening matter; Products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included	20.00	0.24	0.25	0.26	0.28
04.05	Butter and other fats and oils derived from milk, dairy spreads	90.00	0.20	0.20	0.21	0.22
04.06	Cheese and Curd	93.00	0.27	0.28	0.28	0.30

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