

To: Directly affected groups registered for wheat and oilseeds
From: National Agricultural Marketing Council
Enq.: Lizette Mellet
Date: 14 February 2019

APPLICATION FOR AN AMENDMENT TO A STATUTORY MEASURE IMPLEMENTED IN TERMS OF THE
MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996, (ACT NO 47 OF 1996), (MAP ACT) AS
AMENDED

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**INVITATION TO DIRECTLY AFFECTED GROUPS IN THE WHEAT, SUNFLOWER AND SOYBEAN
INDUSTRIES TO COMMENT ON THE REQUEST FROM THE WHEAT, SUNFLOWER AND SOYBEAN
FORUMS FOR THE AMENDMENT OF THE EXISTING STATUTORY MEASURE RELATING TO
RECORDS AND RETURNS IN RESPECT OF IMPORTS AND EXPORTS OF MAIZE AND WHEAT**

**Statutory measure currently in place to report on weekly imports and exports of maize and
wheat:**

The statutory measure, namely records and weekly returns on maize and/or wheat imports and/or exports, administered by the South African Grain Information Service (SAGIS), states the following:

“Each end-consumer, importer, storer, exporter and processor of maize and/or wheat shall keep complete records for each week (Saturday to Friday) in respect of maize and/or wheat imported or exported by him, and submit to SAGIS an accurate return in respect of physical exports and imports that realised during the past week. These shall also include any person, e.g. a producer, agent, trader, transporter etc. who acts in the capacity of the aforementioned persons.”

This statutory was promulgated in **Government Notice No 605 dated 4 June 2008**, and continued by the Minister of Agriculture, Forestry and Fisheries (Government Notices No R.826 of 7 October 2011 and No R.68 of 29 January 2016) to lapse on 30 April 2020.

**Amendment to the statutory measure to include the reporting of intentions to import and
export maize:**

During 2018, the Minister promulgated an amendment to the existing statutory measure stated above, to include that maize that is intended to be imported or exported, be reported on, eight weeks prior to the date on which the vessel transporting the maize arrive or depart from South Africa (**Government Notice No R 503 of 18 May 2018**).

Request for an amendment of the statutory measure, as amended:

On 25 January 2019, the National Agricultural Marketing Council (NAMC) received a request from the Wheat, Sunflower and Soybean Forums for ministerial approval to amend the existing statutory measure, namely to:

- Include soybean and sunflower in the records to be kept and weekly returns to be issued to SAGIS on imports and exports (amendment of Notice No 605 dated 4 June 2008), and to
- Include wheat, soybean and sunflower in weekly declarations to SAGIS on intentions to import or export, eight weeks prior to the date on which the vessel transporting these products arrive or depart from South Africa (amendment of Notice No R 503 of 18 May 2018).

Motivation by the applicants:

SAGIS administers the statutory measures with regard to the registration of importers and exporters of maize, oilseeds, sorghum and winter cereal, and the provision of information by the importers and exporters that are so registered.

Industry role players, for some time, have been aware of the fact that there is a need for more detailed information in respect of commodities that are imported and exported in order for the markets to operate effectively. The current statutory measures make provision for the reporting of historical information by importers and exporters, but the market lacks information with regard to intended import and export transactions where firm contracts have been concluded. Such information is vital for the efficient operation of the commodity markets in South Africa. To this end, the industries endeavoured to find an acceptable manner to ensure the provision of such information to the market, taking into consideration the requirements of the different role players. Discussions took place in the various industries and an agreement was reached on how such information could be made available to the market by means of an addition to the existing statutory measures. This agreement was formally accepted by the maize industry in 2017 and the statutory measures were amended in May 2018 to make provision for such information with regard to maize. The Wheat Forum unanimously reached the same conclusion on the necessity of such information, followed by the Sunflower and Soybean Forum. The current application is therefore aimed at the further amendment of the statutory measure to make provision for similar information regarding wheat, sunflower and soybeans.

Internationally, the provision of information with regard to intentions for the import and export of grains is widely accepted and is the practice in most countries where grain commodities are traded. Such information is essential for the agricultural and commodity markets to operate effectively.

Although good co-operation exists in the industries between market role players, it is deemed necessary to obtain the required information by means of a statutory measure rather than to rely on the voluntary provision thereof, for the following reasons:

- Historical experience, both in South Africa and in other countries, is that the voluntary provision of information is not successful and generally fails.
- The statutory obligation to provide information ensures proper participation and accurate information in most instances.
- The entire value chain benefits from improved market information.

Invitation for comments:

Comments are invited on the request from the Wheat, Sunflower and Soybean Forums for ministerial approval to amend the existing statutory measure, namely to:

- Include soybean and sunflower in the records to be kept and weekly returns to be issued to SAGIS on imports and exports (amendment of Notice No 605 dated 4 June 2008), and to
- Include wheat, soybean and sunflower in weekly declarations to SAGIS on intentions to import or export, eight weeks prior to the date on which the vessel transporting these products arrive or depart from South Africa (amendment of Notice No R 503 of 18 May 2018).

As the proposed amendment to the existing statutory measure is consistent with the objectives of the MAP Act, the NAMC is investigating the possible implementation of the proposed amendment, in order to make a recommendation to the Minister.

Directly affected groups in the wheat, sunflower and soybean industries are kindly requested to submit comments or objections regarding the proposed amendment to the NAMC in writing (fax 012 341 1911 or e-mail lizettem@namc.co.za) on or before 1 March 2019, to enable the Council to formulate its recommendation to the Minister in this regard.

Yours sincerely

Mr Z. W. Xalisa
CHIEF EXECUTIVE OFFICER: NAMC