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WINE INDUSTRY

APPLICATION FOR THE CONTINUATION OF THE CURRENT STATUTORY MEASURERS IN THE WINE INDUSTRY

REQUESTING COMMENTS / INPUTS FROM THE INDUSTRY

The Minister of Agriculture, Forestry and Fisheries received a request from the wine industry, in terms of the Marketing of Agricultural Products Act (MAP Act), Act No, 47 of 1996, for the continuation of statutory measures (registration, records & returns and levies) in the wine industry.

Currently, the following statutory measures are applicable in the wine industry:

- Registration;
- Records & Returns; and
- Levies
 - o Information levy;
 - o Research and development levy;
 - o Wine export generic promotion levy; and
 - o Empowerment and transformation levy.

The applicants for the proposed continuation of the statutory measures are the South African Liquor Brandowners' Association (SALBA), representing traders, Wine Cellars SA (WCSA), representing wine cellars and VinPro, representing wine grape producers.

The four operational / business units, namely 1) SAWIS (SA Wine Industry Information and Systems); 2) WINETECH (Wine Industry Network of Expertise and Technology);

3) WOSA (Wines of South Africa); and 4) WIDA (The Wine Industry Development Association) will be responsible for the implementation of the requested statutory measures.

It is proposed that the statutory measures be implemented for a new period until 31 December 2013.

The purpose and objectives of the statutory measures are as follows:

- **Registration** and the furnishing of **Records & Returns** with SAWIS.
To ensure that continuous, timeous and accurate information 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.
- Payment of the **levy amount** for the funding of the wine industry objectives, namely:
 - Information levy
To fund the continued implementation, administration and enforcement of the statutory measures 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.
 - Research levy
To co-ordinate and fund research and development, training and technology transfer in the wine industry.
 - Export levy
To generically promote SA wines on selected export markets and to improve the efficiency of the export process.
 - Transformation levy
To continue to facilitate social and economic development and transformation in the wine industry through programmes such as economic empowerment and development, social development and upliftment and human resource development and training in support of broad based Black Economic Empowerment.

The following levy amounts are proposed.

	Research levy	Information levy	Transformation levy	Export levy *
Grapes intended for the production of wine	R14.35/ton (currently R12.46/ton)	R8.75/ton (no increase)	R2.12/ton (no increase)	-
Grape juice concentrate intended for use in wine @ 17.4 degrees balling	2.05c/litre (currently 1.78c/litre)	1.25c/litre (no increase)	0.3c/litre (no increase)	-
Distilling wine or wine spirit @ 10% alc/vol	1.77c/litre (currently 1.54 c/litre)	-	-	-
Bulk drinking wine/	2.05c/litre (currently 1.78c/litre)	1.25c/litre (no increase)	0.3c/litre (no increase)	7.60c/litre (currently 6.39c/l)
Otherwise packaged drinking wine	-	-	-	10.45c/litre (currently 8.77c/litre)

* Including Wine-On-Line at 0.47 c/litre

The NAMC believes that the measures requested are consistent with the objectives of the MAP Act (as set out in section 2 of the Act).

Directly affected groups (e.g. exporters, importers, producers, processors, inspection bodies and agents) in the wine industry are kindly requested to submit any comments, in writing, regarding the proposed statutory measures, to the NAMC on or before 23 October 2009, to enable the Council to finalise its recommendation to the Minister in this regard.

ENQUIRIES:

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