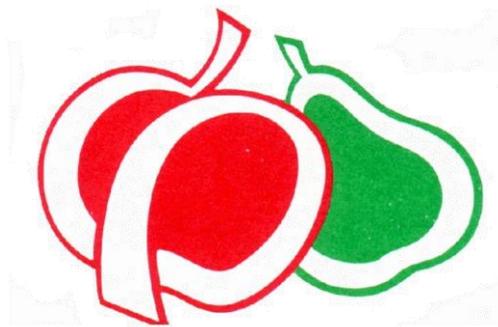




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08 October 2015

MEMORANDUM TO EXPORTERS, MUNICIPAL MARKETS, RETAILERS & PROCESSORS

COLLECTION OF STATUTORY LEVIES (INDUSTRY FUNDS)

This memorandum is to re-confirm the procedure and method of statutory levy collection and to record the tariffs for the 2015/2016 – 2018/19 seasons.

DFPT Finance will continue to administer the collection of industry funds as mandated by the Minister of Agriculture in terms of the Marketing of Agricultural Products Act. The new statutory measures was published in Government Gazette No 34632 dated 30 September 2011.

The new tariffs for apples and pears are as follows:

	2015/16	2016/17	2017/18	2018/19
Fresh Apples *	4 cents /kg	4,25 cents /kg	4,5 cents /kg	4,75 cents /kg
Processed Apples	R7,40 /ton	R7,80 /ton	R8,30 /ton	R8,75 /ton
Pears *	4 cents /kg	4,25 cents /kg	4,5 cents /kg	4,75 cents /kg

* Domestic, Exports & Imports

Market Development Levy (Export volumes) - Government Gazette No 35074, dd 02 March 2012

	2015/16	2016/17	2017/18	2018/19
Apples	2,8 cents /kg	2,8 cents /kg	2,8 cents /kg	2,8 cents /kg
Pears	2,8 cents /kg	2,8 cents /kg	2,8 cents /kg	2,8 cents /kg

1. LEVIES ON FRUIT EXPORTED

ALL exporters must collect the approved levies on APPLES and PEARS from **ALL** producers and pay it over to DFPT Finance.

In practice this means that the company/organisation exporting on consignment on behalf of producers or purchasing the fruit from the producer(s) must deduct the statutory levy at the first point of sale and pay it over to DFPT Finance.



2. **LEVIES ON DOMESTIC SALES**

ALL Retailers/Municipal Markets must collect the approved levies on APPLES and PEARS from **ALL** producers and pay it over to DFPT Finance.

In practice, the company/organisation selling on behalf of producers or purchasing the fruit from the producer(s) must deduct the statutory levy at the first point of sale and pay it over to DFPT Finance.

3. **LEVIES WITH RESPECT TO APPLE CONCENTRATE PROCESSING PLANTS**

ALL concentrate processors must collect the approved levies on APPLES procured for the manufacturing of apple juice concentrate from **ALL** producers and pay it over to DFPT Finance.

In practice, the company/organisation purchasing the fruit from the producer(s) must deduct the statutory levy at the first point of sale and pay it over to DFPT Finance.

A schedule of the amount paid over, per producer and per fruit kind must be submitted to DFPT Finance on a monthly basis.

This schedule is essential to enable us to allocate the contributions per area and per fruit kind and to ensure that all role-players are adhering to the statute. It would be appreciated if this information be forwarded electronically in **excel or other agreed format**.

This information is of critical importance, as industry decisions, producer representation and research priorities are determined on the basis of these contributions.

The information is treated in a very confidential manner.

We further confirm that volumes must be supplied to us by the specific organisation, upon which a VAT invoice will be issued provided with the bank details.

Furthermore we are empowered in terms of the Act to obtain information from other sources, to enable us to verify the accuracy of the figures submitted by the specific exporter/retailer/market.

Payments are to be made electronically to DFPT Finance, in which case it is imperative that detail of the electronic payment be forwarded via fax at 021-870 2915 (Attention: Theunis Basson) or email to theunis@hortgro.co.za.

Should you have any queries or suggestions to complement the levy collection process, please do not hesitate to contact Theunis Basson at 021-870 2900 or the undersigned.

We again confirm that all figures will be treated as strictly confidential and we would like to thank you in advance for your co-operation in this respect. The partnership between the producer, exporter, retailer, market and SAAPPA is absolutely essential to maintain a strong and vibrant industry.

We would appreciate your acknowledgement of the above, and will be happy to clarify any detail, if required.

Yours faithfully
SAAPPA



ANTON RABE
CHIEF EXECUTIVE OFFICER