

REPUBLIC
OF
SOUTH AFRICA



REPUBLIEK
VAN
SUID-AFRIKA

Government Gazette Staatskoerant

Vol. 388

PRETORIA, 20 OCTOBER 1997
OKTOBER

No. 18379

GENERAL NOTICES

NOTICE 1511 OF 1997

DEPARTMENT OF AGRICULTURE

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

REQUEST FOR STATUTORY MEASURE: LEVY

It is hereby made known in terms of section 11 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), that the Minister of Agriculture has received a request for a statutory measure in terms of Section 10 of the said Act, as set out in the Schedule hereto.

Directly affected groups are hereby invited to lodge any objection or representation regarding the proposed statutory measures with the National Agricultural Marketing Council in writing within **14 days** of the date of the publication hereof.

Submissions should be in writing and be addressed to:

The Chairperson
National Agricultural Marketing Council
Private Bag X935
PRETORIA
0001
Fax No.: (012) 325-2157
Enquiries: Mr Schalk Burger
Tel.: (012) 325-2150

The IWS is a global organization, bringing together in partnership the wool promotion and marketing organizations of Australia and South Africa. Together they supply the principal funding for IWS and produce 80% of the raw apparel wool traded worldwide.

IWS is a company which operates strictly on business principles with a completely commercial outlook. The company is committed to quantifying results against expenditure and has a high level of performance measurement as an integral part of their business plan. Performance and results are audited regularly and reported in detail to shareholders and other stakeholders.

Leveraging of additional funding from other role-players in the pipeline, to spread the financial burden of promoting wool globally, is a key focus of the IWS. In this way, a wide range of companies, including licensees, retailers, other fibre manufacturers and even detergent manufacturers, add significantly to the core budget for global wool promotion funded by the shareholders of the IWS.

- A network of branches across four continents, including Africa.
- Highly skilled representation in key wool consuming countries.
- Specialist market knowledge at regional and global levels.
- Focus on global project management to build demand for wool.
- IWS and Woolmark presence at premier international trade fairs.
- Influence the wool industry partners along the textile pipeline.
- Global sourcing initiatives that link suppliers and manufacturers.
- Impact the global advertising and marketing campaigns locally and globally.
- Professional brand positioning of Woolmark, Woolblendmark and other sub-brands.
- In a new initiative, IWS has set up Advisory Boards in Europe, Asia and the Americas to foster a closer working understanding with decision-makers in the textile and retail industries to target Woolmark marketing activities that suit each region.
- Analysing and disseminating a wide range of market related information.

Extensive research provides the data on which to base IWS strategies. The global infrastructure enables IWS to integrate expertise and resources in order to focus on a project based philosophy. This approach allows IWS to co-ordinate the people, the technology, services and resources to get the results.

IWS does not manufacture or sell goods. Instead, they are experts in collaboration and exerting influence at every stage of the textile pipeline, from growers to retailers. In today's fluctuating markets, IWS is even more focused on working with these partners to ensure that the best quality raw wool is available for exciting product innovation. They can assist with commercial product development and ensure a cost effective distribution process. There is continuing innovation in new processes, including environmental technology, to improve the efficiency and eco awareness of wool textile manufacturing. And IWS advertising and marketing, retail promotion and training campaigns continue to generate consumer awareness and build the strength of the Woolmark.

IWS has been building recognition for Woolmark since it first launched the trademark in 1964. Thirty years on, Woolmark is one of the world's most powerful and best known brands.

As the greatest asset, Woolmark remains the focus of all IWS promotional activity. It tells the consumer that a garment is made from pure new wool. And it offers powerful marketing properties, inspires confidence and provides an assurance of quality to consumers who believe that wool is good value for money and are prepared to pay extra for the woolmark.

IWS owns and licences both the Woolmark and Woolblendmark, and controls their application by licensee companies who acknowledge the commercial value of the trademarks and will pay an annual fee to use them.

Woolmark signifies quality and reliability because only licensee companies who agree to meet strict production and performance control standards can qualify to use the Woolmark and Woolblendmark labels on their merchandise. The reputation of Woolmark depends on constantly maintaining the quality and style of all merchandise on which it appears.

Woolmark delivers—

- instant recognition world-wide;
- unrivalled assurance of quality;
- consumer purchasing confidence;
- consistent performance standards;
- links with the best clothing brands;
- added value and greater demand.

7. RELEVANCE TO SECTION 2 OF THAT ACT

Wool is traded in a total free-market environment and the introduction of this measurement will not in any way impede on this. To the contrary, the measure is aimed at stimulating demand for South African types of wool globally and will result in a better trading environment.

To ensure long-term viability and price premium for wool as a fibre it is essential to constantly develop new and improved wool products and effectively communicate wool's benefits as an apparel fibre through to consumer level. The benefits which flow from these actions revert to all market participants, both small and large, and allow them to compete profitably in global markets.

The extension of these marketing actions into important international markets, as well as participation in international trade by means of our interest in the International Wool Secretariat, maintains the international competitiveness and therefor expands the export potential of South African wool in unprocessed, semi-processed as well as final product form.

The Woolmark is one of the most recognised and respected brands in the world for which research has proved, consumers are prepared to pay a significant price premium. It is an invaluable asset for South Africa.

In partnership with wool growers from Australia, South Africa funds the International Wool Secretariat (IWS) which conducts wool research, product development and promotion on their behalf in international markets. This is made possible by the fact that the wools produced in these countries have very similar characteristics. This international marketing in co-operation with other grower countries allows us to have far greater marketing impact in international markets than would be the case individually. These actions maintain South African type wools' competitive position against other fibres in global markets.

It is obvious that global promotional activities will have no detrimental effects on food security or employment opportunities – in fact, it is feasible that it will encourage employment opportunities. Equally, no unfair labour practices are relevant.

8. THE AREA IN WHICH THE STATUTORY MEASURES WILL APPLY

The proposed statutory measure shall apply to the whole of the Republic of South Africa, in order to have a uniform system of levies without the consequent discrimination that would result from requiring a levy in certain areas and not in others. This would also make it possible to enforce the levy in the whole of South Africa.

9. AMOUNT OF LEVY

3% of the gross selling value of greasy wool traded, excluding VAT.

10. PERSONS TO PAY LEVY

Wool is currently levied at the first point of sale. At the meeting of the Wool Industry Forum of South Africa, at which the levy was approved, it was resolved that should the exporters agree thereto, all wool will be levied at the point of export. This will simplify administration and reduce the possibility of levy evasion.

11. THE GROUPS POTENTIALLY AFFECTED BY THE STATUTORY MEASURES

The groups potentially affected by the statutory measure are:

- Wool Producer Organisations
- South African Wool Textile Council (Buyers, Topmakers, Processors, the Wool Testing Bureau and Exporters)
- Wool Brokers
- Small Wool Traders
- Labour
- The South African Small Stock Breeders' Society
- Shearing Contractors.

All these groups are members of the Wool Forum who are the Applicants for the statutory measure.

12. TO WHAT EXTENT HAVE THE GROUPS POTENTIALLY AFFECTED BY THE STATUTORY MEASURES BEEN CONSULTED

The directly affected groups listed in section 6.4 are members of the Wool Forum who are the Applicants for the statutory measure and unanimously supported the request for the introduction of the statutory measures.

13. WHO WILL ADMINISTER THE STATUTORY MEASURES

Cape Wools SA.

14. MOTIVATION WHY THE PROPOSED ADMINISTRATOR IS THE MOST APPROPRIATE ORGANISATION TO ADMINISTER THE STATUTORY MEASURES

The NAMC stated in its guidelines that ***"Formalised structuring will be necessary if it is envisaged that significant interaction with other role-players will result."***

Considering the South African wool industry's international associations and links and the need to establish a structure that will ensure the ongoing involvement by all affected parties, Cape Wools SA is internationally accepted, representative of all directly affected groups in the wool industry and tax exempt, with the main aim to formulate and maintain an overall corporate strategy for the wool industry.

The company is structured in such a way that control of the company does not vest solely in one directly affected group. The rights of directly affected groups are vested in their membership of the company and exercised by a representative board of directors.

The Minister of Agriculture approved that Cape Wools SA become the successor in title of the IWS.

15. PARTICULARS ABOUT ENFORCEMENT

Lists of persons obliged to register and furnish records and returns and registration under the measures will be kept by Cape Wools SA. The Company will be aware of failures to comply with the regulations related to levy, as those liable to pay levy will mostly be included in the records kept by the Company. Furthermore, random inspections can be carried out by inspectors from time to time to ensure the payment of levies. Should the levy be enforced at the point of export, administration will be relative easy, with checks and balances agreed between Cape Wools SA and Department of Customs and Excise.

16. FINANCIAL IMPLICATIONS FOR THE FISCUS

The obligation to finance Global Promotion will be between Cape Wools SA and an approved service provider, therefore there will be no financial implications for the fiscus.

17. PROPOSED OWNERSHIP AND DISPOSAL OF FUNDS AND ASSETS IN THE CASE OF DISSOLUTION

Upon its winding-up, deregistration or dissolution, the assets of Cape Wools SA remaining after the satisfaction of all its liabilities, shall be given or transferred to some other association or institution or associations or institutions having objects similar to its main object, and which will be domiciled in the Republic of South Africa, and which themselves shall be exempt from income tax.

18. SURPLUS FUNDS

Upon revocation of the statutory measure for levies, the surplus of the levy fund will, after consultation with the Wool Industry Forum of South Africa, be utilized to the benefit of the industry as a whole.

19. PROPOSED AUDITING MEASURES

The financial year of Cape Wools SA shall be from 1 July to 30 June in any given year. Its books of account shall be maintained in accordance with generally accepted accounting practice and shall be subject to annual audit by an internationally recognized firm of Chartered Accountants, appointed by the Company in a general meeting.

20. DATE ON WHICH THE PROPOSED STATUTORY MEASURES WILL COME INTO OPERATION AND THE PERIOD OF VALIDITY THEREOF

The statutory measures will come into operation on the date of publication thereof and shall lapse on 30 June 2000. The initial duration of the statutory measures will therefore be two years and nine months in order to coincide with the financial year of the Company responsible for the administration thereof.

21. DETAILS OF IMPLEMENTATION

Should the National Agricultural Marketing Council recommend the approval of the proposed statutory measures, the Council will submit the necessary Government Notices together with its report to the Minister of Agriculture for his consideration. Once the Minister has approved the request, the Notices in which the measures are put in place, will be published in the *Government Gazette*. The directly affected groups who requested the statutory measures will also be informed of the Minister's decision.

NOTICE 1512 OF 1997**DEPARTMENT OF AGRICULTURE****MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996 (ACT No. 47 OF 1996)****REQUEST FOR STATUTORY MEASURES: REGISTRATION AND
RECORDS AND RETURNS RELATING TO WOOL**

It is hereby made known in terms of section 11 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), that the Minister of Agriculture has received a request for statutory measures in terms of section 10 of the said Act, as set out in the Schedule hereto.

Directly affected groups are hereby invited to lodge any objection or representation regarding the proposed statutory measures with the National Agricultural Marketing Council in writing within 14 days of the date of the publication hereof.

Submissions should be in writing and be addressed to:

**The Chairperson
National Agricultural Marketing Council
Private Bag X935
PRETORIA
0001
Fax No.: (012) 325-2157
Enquiries: Mr Schalk Burger
Tel.: (012) 325-2150**

SCHEDULE**1. INTRODUCTION**

The Wool Scheme, which contains statutory measures for the registration of participants, the submission of production records and returns and the imposition of a levy will be phased out in terms of the Marketing of Agricultural Products Act (Act No. 67 of 1996) on 31 December 1997.

The Wool Industry (after advertising and nationally seeking participation), formed and established under a formal constitution the Wool Industry Forum of South Africa (the Forum), to act as a consultative, policy-making and decision-making body to represent all directly affected groups in the wool industry without restrictive membership criteria.

The role of the Forum is to reform the conventional and sectional decision-making process of the Wool Industry and to establish a needs-driven process, seeking a common position on critical issues for the industry as a whole.

The directly affected groups identified within the Wool Industry are Wool Producer Organisations, the South African Wool Textile Council (buyers, topmakers, processors, exporters and the Wool Testing Bureau), Wool Brokers, Small Wool Traders, Labour, the South African Small Stock Breeder's Society and Shearing Contractors.

The essential functions required to be performed on behalf of the Wool Industry, as decided upon by the Forum include Promotion and Product Development, Information, Research and Development and Producer Services (technology transfer and training and development).

The Forum, after proper consideration of all the issues has concluded that in order to effectively perform the essential functions identified by the wool industry through the medium of the Forum, the following regulatory measures in terms of the Marketing Act are required:

Section 18: Record and returns—submission of statistical information to deliver an objective industry based information service.

Section 19: Registration—to maintain a national register of wool producers and associated wool industry interests as a component of a national wool industry information database.

2. THE APPLICANT

The Applicant for the measures set out in this schedule is the Wool Industry Forum of South Africa, constituted by the following directly affected groups:

- Wool Producer Organisations
- South African Wool Textile Council (Buyers, Topmakers, Processors, the Wool Testing Bureau and Exporters)
- Wool Brokers
- Small Wool Traders
- Labour
- The South African Small Stock Breeders' Society
- Shearing Contractors

4. THE PRODUCT TO WHICH THE PROPOSED STATUTORY MEASURES WILL APPLY

The measure will relate to wool that is produced in the Republic as well as any quantity thereof imported into the Republic. Wool forms part of the product "NATURAL FIBRES" as declared in terms of the Act.

5. STATUTORY MEASURES REQUESTED IN TERMS OF THE ACT

Section 18: Records and returns—submission of statistical information to deliver an objective, industry based information service.

Section 19: Registration—to maintain a national register of wool producers and associated wool industry interests as a component of a national wool industry database.

5.1 SECTION 18

5.1.1 OBJECTIVE OF MEASURE

According to the applicant this measure is required to ensure access to data pertaining to the production, trading, processing and distribution of greasy and semi-processed wool, sourced from the commercial sector of the industry under appropriate bilateral confidentially arrangements, if necessary, in order to develop and maintain an aggregate statistical profile of the South African wool industry as a decision-support service to all stakeholders and role-players.

5.1.2 MOTIVATION

Section 18 (1) of the Act stipulates that ***"(1) The Minister may, by notice in the Gazette, direct that any person shall keep such records and returns as may be specified with regard to the agricultural products or classes thereof to which the notice pertains and which such person has in his or her possession or under his or her control, and direct that such records and returns be furnished to the institution or body of persons referred to in the notice."***

The application states that the South African wool industry is predominantly an export orientated industry which generates substantial export earnings.

In a non-regulated wool marketing environment, sectoral commercial interests are, however, client orientated rather than necessarily focused on the national interest.

Although South Africa is a small player in the international apparel wool industry, the industry is characterised by a profile which comprises of approximately 14 000 individual producers (including a large number of emerging farmers in the Eastern Cape, Mpumalanga and the Free State), more than one producer grouping/organisation, several small, medium and large traders/brokers, several autonomous buying/exporting companies and five early stage processing interests.

A centralised source of reliable, objective and user-friendly statistics and information on the aggregate profile of the industry at any given point in time, to aid decision-making during the process growing, marketing and promotion of South African wool is therefore an essential tool to continuously position the South African wool industry internationally.

Upliftment, education and development of the emerging (small scale) wool producing community, particularly the emerging black wool farming sector of the Ciskei and Transkei regions of the Eastern Cape, can only advance rapidly if these strategies are underpinned by a strong information base regarding marketing options and market signals, industry requirements and related issues.

5.1.3 RELEVANCE TO SECTION 2 OF THE ACT

According to the applicant, the objective of this statutory measure in terms of section 18 of the Act, is entirely consistent with section 2 (2) of the Act and is in fact essential for achieving the objectives of the Act. Reliable national statistics and objective aggregate information regarding production sales, price trends and projections, export volumes, prices and destinations and co-ordinated national and international economic data and fundamental to the need to increase market access for all participants.

Access to a national database of this nature will support the development of efficient marketing mechanisms for wool and will assist in the optimisation of export earnings for all sectors.

The applicant is of the opinion that enhancement of the viability of the agricultural sector, particularly the disadvantaged wool sector, can only be accelerated if reliable, inclusive and comprehensive market data is available to assess the progress of this sector over time against the benchmark of reliable historical data. A request for a measure to provide access to records and returns clearly will not have any effect on food security, no effect on the number of employment opportunities (other than, in fact, creating significant opportunities to expand) and is not contrary to fair labour practice.

The South African wool market operates in a completely free-market environment and such a request in no way can be perceived to have the potential to distort this trading environment by means of regulatory intervention.

The applicant furthermore states that the purpose of this measure is, in fact, to enhance the efficiency of all sectors of the wool industry within the free market environment, and which, if not available, would severely diminish the potential for the development of a prosperous producing, trading and processing sector within the wider national and international economic environment in which the wool industry operates.

5.2 SECTION 19

5.2.1 OBJECTIVE OF MEASURE

To maintain a national register of wool producers and associated wool industry interests as a component of a national wool industry database.

5.2.2 MOTIVATION

Section 10 of the Act stipulates ***"The Minister may, by notice in the Gazette, direct that any producer of a particular agricultural product or class thereof or any person who disposes of such an agricultural product or class thereof for a profit, or any person involved in the purchase, sale, processing or production of such agricultural products or a class thereof shall be registered as specified in the notice."***

The applicant is of the opinion that the development and ongoing maintenance of a centralised database of names and addresses of individuals and organisations involved in the production, trading, processing and exporting of wool is of necessity a prerequisite for the accurate and efficient gathering of data for inclusion in a national wool industry database.

This method is more cost-effective and efficient than *ad hoc* industry surveys or censuses as and when information of this nature is required, and provides access for co-ordinated distribution of information as and when required by stakeholders. A registration process will provide an important national statistic which is required to maintain a complete industry profile at all times.

5.2.3 RELEVANCE TO SECTION 2 OF THE ACT

Accordance to the applicant the objective of this statutory measure in terms of Article 19 of the Act does not contravene section 2 (3) of the Act, and can be considered as facilitating the achievement of the objectives of section 2 (2) (b) and 2 (2) (d) of the Act.

The South African wool producing sector, for example, is non-homogenous in terms of geographical location of individuals, size of operation, production mass and value, level of sophistication and several other demographic factors.

Consequently, communication processes with this sector in order to increase market access and to enhance the viability of the wool sector, need to be stratified accordingly and would be most effectively and efficiently achieved on the basis of a national register consisting the appropriate information such as names, postal addresses and language preference.

6. GENERAL PROVISIONS PERTAINING TO THE MEASURES REQUESTED

6.1 DATE ON WHICH THE PROPOSED STATUTORY MEASURES WILL COME INTO OPERATION AND THE PERIOD OF VALIDITY THEREOF

The statutory measures will come into operation on the date of publication thereof and shall lapse on 30 June 2000. The initial duration of the statutory measures will therefore be two years and 9 months in order to coincide with the financial year of the Company responsible for the administration thereof.

6.2 DETAILS OF IMPLEMENTATION

Should the National Agricultural Marketing Council recommend the approval of the proposed statutory measures, the Council will submit the necessary Government Notices together with its report to the Minister of Agriculture for his consideration. Once the Minister has approved the request, the Notices in which the measures are put in place will be published in the *Government Gazette*. The directly affected groups who requested the statutory measures will also be informed of the Minister's Decision.

6.3 THE AREA IN WHICH THE STATUTORY MEASURES WILL APPLY

The proposed statutory measure shall apply to the whole of the Republic of South Africa, in order to have a uniform system of records and returns and registration without the consequent discrimination that would result from requiring records and returns and registration in certain areas and not in others. This would also make it possible to obtain a comprehensive and total picture of the wool market and to be able to disseminate a full report on market information.

6.4 THE GROUPS POTENTIALLY AFFECTED BY THE STATUTORY MEASURES

The groups potentially affected by the statutory measure are—

- Wool Producer Organisations
- South African Wool Textile Council (Buyers, Topmakers, Processors, the Wool Testing Bureau and Exporters)
- Wool Brokers
- Small Wool Traders
- Labour
- The South African Small Stock Breeders' Society
- Shearing Contractors.

All these groups are members of the Wool Forum who are the Applicants for the statutory measure.

6.5 TO WHAT EXTENT HAVE THE GROUPS POTENTIALLY AFFECTED BY THE STATUTORY MEASURES BEEN CONSULTED

The directly affected groups listed in section 6.4 are members of the Wool Forum who are the Applicants for the statutory measure and unanimously supported the request for the introduction of the statutory measures.

6.6 WHO WILL ADMINISTER THE STATUTORY MEASURES

Cape Wools SA.

6.7 MOTIVATION WHY THE PROPOSED ADMINISTRATOR IS THE MOST APPROPRIATE

The NAMC stated in guidelines issued by them, that ***"Formalised structuring will be necessary if it is envisaged that significant interaction with other role-players will result."***

Considering the South African wool industry's international associations and links and the need to establish a structure that will ensure the ongoing involvement by all affected parties, Cape Wools SA is internationally accepted, representative of all directly, affected groups in the wool industry and tax exempt, with the main aim to formulate and maintain an overall corporate strategy for the wool industry.

The company is structured in such a way that control of the company does not vest solely in one directly affected group. The rights of directly affected groups are vested in their membership of the company and exercised by a representative board of directors.

6.8 PARTICULARS ABOUT ENFORCEMENT

Lists of persons obliged to register and furnish records and returns and registration under the measures will be kept by Cape Wools SA. The Company will be aware of failures to comply with the measures as those liable to keep records and render returns will mostly be included in the records kept by the Company. Furthermore, random inspections can be carried out by inspectors from time to time to ensure the compliance with the measures.

6.9 FINANCIAL IMPLICATIONS FOR THE FISCUS

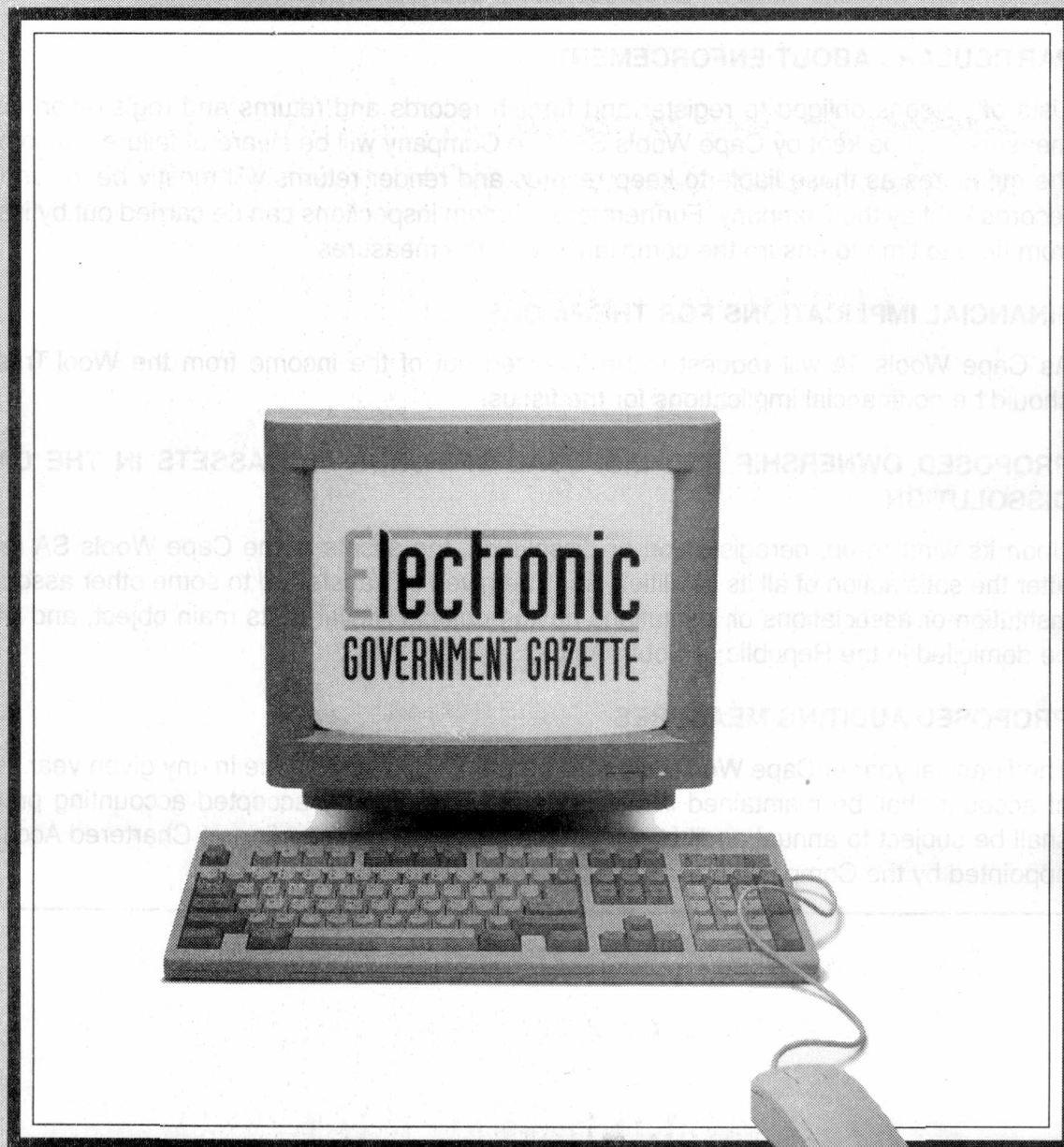
As Cape Wools SA will request to be financed out of the income from the Wool Trust, there should be no financial implications for the fiscus.

6.10 PROPOSED OWNERSHIP AND DISPOSAL OF FUNDS AND ASSETS IN THE CASE OF DISSOLUTION

Upon its winding-up, deregistration or dissolution, the assets of the Cape Wools SA remaining after the satisfaction of all its liabilities, shall be given or transferred to some other association or institution or associations or institutions having objects similar to its main object, and which will be domiciled in the Republic of South Africa.

6.11 PROPOSED AUDITING MEASURES

The financial year of Cape Wools SA shall be from 1 July to 30 June in any given year. Its books of account shall be maintained in accordance with generally accepted accounting practice and shall be subject to annual audit by an internationally recognised firm of Chartered Accountants, appointed by the Company in a general meeting.



LET YOUR MOUSE DO THE WALKING

Subscribe to our full-text, Electronic Government Gazette and cut hours off the time you spend searching for information. Just point and click and within seconds, you can let your computer do the searching. Data is available within two days after publication and we can now also offer the full-text of the nine provincial gazettes. Contact us today and save time, space and paper.

SABINET
The proven source of information



tel: (012) 663-4954 fax: (012) 663-3543 toll free tel: 0800 11 11 73
e-mail: sabinet@sabinet.co.za www: <http://www.sabinet.co.za>

*Looking for back copies and out of print issues of
the Government Gazette and Provincial Gazettes?*

The State Library has them!

Let us make your day with the information you need ...

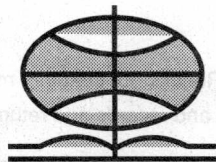
The State Library Reference and Information Service

PO Box 397

0001 PRETORIA

Tel./Fax (012) 321-8931

E-mail: infodesk@statelib.pwv.gov.za



*Soek u ou kopieë en uit druk uitgawes van die
Staatskoerant en Provinsiale Koerante?*

Die Staatsbiblioteek het hulle!

Met ons hoef u nie te sukkel om inligting te bekom nie ...

Die Staatsbiblioteek Naslaan- en Inligtingdiens

Posbus 397

0001 PRETORIA

Tel./Faks (012) 321-8931

E-pos: infodesk@statelib.pwv.gov.za

CONTENTS

No.

Page
No. Gazette
No.

GENERAL NOTICES

Agriculture, Department of

General Notices

1511	Marketing of Agriculture Products Act (47/1996): Request for statutory measure: Levy.....	1	18379
1512	do.: Request for statutory measures: Registration and records and returns relating to wool.....	8	18379