

MACADAMIA STATUTORY LEVY

FAQs

Introduction

Regulations relating to macadamia statutory levies were published in the Government Gazette on 14 November 2014. The regulations deal with the following:

- Registration of stakeholders.
- Reporting and Returns of NIS volumes passing through businesses.
- Payment and deduction of levies.

Registration

Growers, Nurseries, Consolidators of nut in shell (NIS) , Processors, Exporters and Importers are now all required to register with SAMAC. *SAMAC members will not be required to re-register, as SAMAC already has their details on file.* Non-SAMAC members are now required by law to register with SAMAC.

Reporting and Returns

SAMAC will send out forms for reporting and returns to Processors and Handlers of NIS. These reports and returns include volume declarations from Processors and Handlers of NIS which will determine the levy amount to be collected and then paid over to SAMAC. Growers and nurseries will also be required to provide information needed for SAMAC's tree census.

Levies

The statutory levy has been set at 23 c (excl. VAT) for every kilogram of NIS (1.5% kernel moisture) passing through a processor's and/ or consolidator's business. This is a grower levy and must be deducted by Processors and Consolidators of NIS. Any growers who export NIS directly will also pay the required levies over to SAMAC. Growers who sell their own NIS directly from the farm are also classified as Consolidators of NIS and must pay over levies in accordance with the new legislation. Importers are also required to pay a levy on any imported macadamias.

FREQUENTLY ASKED QUESTIONS

1. Who must deduct and pay over the statutory levy to SAMAC?

Processors / handlers and consolidators of NIS must deduct and pay over the 23 c/kg excl. VAT (NIS, 1.5% moisture) to SAMAC. The general rule is that the first point of handling after the farm is the point that must deduct and pay over the levy. However, if a grower exports his own NIS, the grower is classified as a consolidator of NIS, and must pay over the levy on the nuts exported directly to SAMAC.

2. Is the statutory levy paid to the government?

No, the statutory levy is paid directly to SAMAC

3. Does the government have control over how the statutory levy is utilised?

The government stipulates that 70% of the statutory levy is spent on meeting the objectives of the statutory levy, which in general, are SAMAC's objectives. No more than 10% may be spent on levy administration, and 20% must be spent on transformation. Transformation is broadly defined as getting black people involved in the macadamia industry. SAMAC will constitute a transformation

committee to agree on transformation projects. The current thinking is that SAMAC will part-fund projects that industry role players are currently involved in or would like to start.

4. What happens to SAMAC's funds that were collected prior to the statutory levy?

SAMAC has full control over these funds. The government has no say over how these funds are spent or invested other than that which is set out in point 3.

5. Can a grower instruct a processor or a consolidator of NIS not to deduct and pay over the levy?

No, the law requires processors and consolidators of NIS to deduct and pay over the levy regardless. The grower has no say over the matter. Should the processor or consolidator of NIS not pay over any levy in accordance with the statute, they will be in breach of the legislation.

6. For how long will this statutory levy be in place?

According to the current regulations, the statutory levy will be in place until 13 November 2018 (a four year period). If the industry wishes to continue with a statutory levy after 13 November 2018, SAMAC will have to consult with growers and then apply for a new levy for a further period. If SAMAC does not make a new application, the levy will be discontinued after 13 November 2018.

7. How will SAMAC ensure that processors and consolidators of NIS pay over the levies deducted from growers?

The regulations require processors and consolidators of NIS to provide a declaration from their auditors stating the annual volume of NIS handled and the levies paid over to SAMAC. Any deviation from this will be in breach of the legislation.

8. Does the statutory levy mean that all growers will automatically be members of SAMAC?

No, all growers will not automatically become SAMAC members. Non- SAMAC growers will still have to apply for membership and pay an annual fee (currently R500 p.a.). Payment of annual fees by all SAMAC growers will allow SAMAC to keep its membership database properly up to date. Growers will not be forced to join SAMAC, but it makes sense for them to join so that they maximise the benefit of their levies by having access to all SAMAC's services including, study groups, research symposium, and access members' section of www.samac.org.za which contains a wealth of technical information. Members also receive the Subtrop Quarterly Journal and are able to make inputs regarding research priorities through study groups and technical committees.

Growers wishing to apply for membership may contact the Subtrop offices on 015 307 3676 or info@subtrop.co.za, or download a membership form from www.samac.org.za by clicking on "info" then "become a member".