

New voluntary levy for winter cereal industry

An alternative trust, the South African Winter Cereal Industry Trust (SAWCIT), has been established by the industry for the collection of voluntary winter cereal levies following the National Agricultural Marketing Council's decision not to recommend the industry's application for continuation of the statutory levy.



Robin via [Fxabay](#)

This follows organised agriculture's intervention in the activities of the Winter Cereal Trust (WCT). Important operational functions are financed with these funds, and therefore the industry quickly had to put an alternative system in place before the start of the new marketing season on 1 October 2020.

The agricultural industry in South Africa has had to maintain important functions from its own funds since the deregulation of the marketing boards. These features enable our agricultural value chain, from producer to consumer, to compete globally. This ensures food security and the functions that are funded are among the cornerstones on which our free market is based.

What are the most important functions that will be funded with the levy?

- South African Grain Laboratory (SAGL)
- South African Grain Information Service (SAGIS)
- Research projects
- Transformation

Who supports the voluntary levy?

Private sector:

- SANSOR (seed companies),
- Agbiz Grain (storers),
- Grain SA (producers), animal feed manufacturers (AFMA),
- SACOTA (dealers),

- JSE (Safex) National Chamber of Milling (millers),
- SA Chamber of Baking (bakers),
- Pioneer Foods (PepsiCo) and the SA National Consumer Union.

Are the objectives and functions of the new Trust different from the previous Winter Cereal Trust (WCT) that funded the essential functions?

No, it's virtually identical. However, the operating costs will be less. The interim measure applies until the WCT's functions are managed at a desired level.

What are the amounts of the voluntary levies? (VAT is excluded)

When are the levies payable?

The levies are payable on all wheat, barley and oats:

1. Which is sold by the producer;
2. Which is imported or exported;
3. Which is treated or processed by or on behalf of the producer;
4. For which a silo certificate is issued.

How are the levies collected?

Producers and relevant parties who deliver their grain shall give permission for the voluntary levies that are included in the price of the wheat, barley or oats to be deducted when sold or delivered.

Who is responsible for paying the levies to the Trust?

The buyer, processor, importer, exporter or person issuing the silo certificate are responsible for paying the levies to the Trust.

To whom are the voluntary levies paid?

The levies are paid to the South African Winter Cereal Industry Trust (SAWCIT); the bank account will be confirmed to the industry in the near future.

When are the levies paid?

The levies must be paid to SAWCIT before the end of the month following the month in which the levies were collected.

Who decides on the use of the levy funds?

The Trustees appointed by the industry role players to serve on SAWCIT will manage and control the use of the levies on behalf of the industry.

What is the duration of the new levy?

The voluntary levies only apply for the 2020/2021 marketing year, which starts on 1 October 2020. The industry will decide during the course of 2020/2021 how essential services will be funded in the future.

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