

## **TO WHOM IT MAY CONCERN**

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

### **Why are the winter grain levies voluntary and no longer statutory?**

Organised agriculture had to intervene in the activities of the Winter Cereal Trust (WCT). An alternative trust was put in place following the National Agricultural Marketing Council's decision not to recommend the industry's application for continuation of the statutory levy. 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 trust will be known as the South African Winter Cereal Industry Trust (SAWCIT).

### **What are the most important functions that will be funded with the levies?**

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

### **Who supports the voluntary levies?**

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, but the operating costs will be less. The interim measure will apply until the WCT's functions are managed at a desired level.

**For more details please contact:**

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**THE LEVY IS COLLECTED AT THE FIRST POINT OF SALE. PLEASE SUPPORT YOUR INDUSTRY AND ENSURE THAT THE LEVIES FOR THE 2020/2021 MARKETING SEASON ARE PAID TO SAWCIT**