

No. R. 626

23 July 2010

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

ESTABLISHMENT OF STATUTORY MEASURE: RECORDS AND RETURNS BY EXPORTERS, IMPORTERS, PROCESSORS AND PURCHASERS OF COTTON

I, Tina Joemat-Pettersson, Minister of Agriculture, Forestry and Fisheries, acting under sections 13 and 18 of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), hereby establish the statutory measure set out in the Schedule.

**TINA JOEMAT-PETTERSSON,
MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES.**

SCHEDULE

Definitions

1. In this Schedule any word or expression to which a meaning has been assigned in the Act shall have that meaning and unless the context otherwise indicates –

“**contract ginning**” means seed cotton ginned by a ginner on behalf of another party without the ownership of the cotton passing over to the ginner;

“**cotton**” means cotton lint and seed cotton derived from the ball of the cotton plant (*Gossypium hirsutum*);

“**cotton lint**” means the fibre derived from the seed cotton after the seed cotton has been ginned;

“**Cotton South Africa**” means the Company registered in terms of section 21 of the Companies Act, 1973 (Act No. 61 of 1973), which operates under the name Cotton South Africa;

“**ginner**” means any person who gins seed cotton;

“**gin**” in relation to seed cotton, means to separate the seed and fibre in seed cotton and ginning has a corresponding meaning;

“**seed cotton**” means the lint and seed derived from the ball of the cotton plant (*Gossypium hirsutum*), before it has been ginned;

“**the Act**” means the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996).

Purpose and aims of statutory measure and the relation thereof to objectives of the Act.

2. The purpose and aims of this statutory measure are to compel the following parties to keep records and furnish returns to Cotton South Africa: Persons who are parties to the purchase of seed cotton from producers; those persons who process seed cotton; persons who import or export cotton; and those persons who are parties to the purchase of cotton lint from producers or ginner. This is deemed necessary to ensure that continuous, timeous and accurate market information relating to cotton is made available for all role-players. Information gathered by Cotton South Africa from the records and returns will be freely distributed to the market place. Market information is deemed essential for all role-players in

a deregulated market, in order for them to be able to make informed decisions. By the compulsory furnishing of monthly returns on an individual basis, market information for the whole of the country can be processed and disseminated to the market place.

The established of this statutory measure will not only enhance market access for all market participants but should also promote the efficiency of the marketing of cotton. Furthermore, proper market information will enhance the viability of the cotton industry and the agricultural sector at large. The measure will not be detrimental to the number of employment opportunities within the economy or fair labour practice.

This statutory measure will be administered by Cotton South Africa, a company incorporated under section 21 of the Companies Act, 1973 (Act No.61 of 1973). Cotton South Africa is appointed to implement, administer and enforce the intervention set out in the Schedule.

It is envisaged that Cotton South Africa will make available macro generic market information to the cotton industry and other interested parties on a monthly basis. This information will be obtained from the returns rendered to Cotton South Africa and will be supplied on a national basis. The information will furthermore be made available in a manner suitable to reach the majority of the role-players in the cotton industry.

Products to which statutory measure applies

3. This statutory measure shall apply to cotton.

Area in which statutory measure applies

4. This statutory measure shall apply within the geographical area of the Republic of South Africa.

Records and returns to be kept and submitted by exporters, importers, processors, and purchasers of cotton

5. (1) The following parties shall keep records and furnish returns with regard to cotton in his or her possession or under his or her control:

- a) Persons who are parties to the purchase of seed cotton from producers;
- b) those persons who process seed cotton;

- c) persons who import or export cotton; and
d) those persons who are parties to the purchase of cotton lint from producers or ginners.
- (2) Cotton South Africa shall make forms available to facilitate the process of submittance of returns.
- (3) a) The return shall be submitted monthly, when forwarded by post to -
Cotton South Africa
P.O. Box 912232
SILVERTON
0127; or
b) when delivered by hand delivered to -
Cotton South Africa
Cotton South Africa Building
90 Cycad Place
off Watermeyer Street
Val de Grace Extension 10
PRETORIA
0184.
- (4) The return shall be submitted before or on the twentieth day of the month, following the month to which the records and returns relate, with the exception of the monthly crop return which have to reach Cotton South Africa not later than the end of the month to which the crop return relates.
- (5) The records and returns shall in the case of the ginners, contain information with regard to the following:
- a) The month concerned;
 - b) The marketing year applicable;
 - c) The name and address of the ginnery concerned;
 - d) with regard to seed cotton purchased from RSA producers, the following information:
 - (i) Cultivars;
 - (ii) opening stock in kg;
 - (iii) plus purchased stock during the month in kg;
 - (iv) less ginned stock during the month in kg;
 - (v) closing stock for the month in kg; and

- e) with regard to seed cotton received from RSA producers for contract ginning, the following information:
- (i) Cultivars;
 - (ii) opening stock in kg;
 - (iii) plus stock received during the month in kg;
 - (iv) less ginned stock during the month in kg;
 - (v) closing stock for the month in kg; and
- f) with regard to seed cotton purchased from other persons or countries, the following information for the month concerned;
- (i) Person or country;
 - (ii) opening stock in kg;
 - (iii) plus purchased stock in kg;
 - (iv) less ginned stock in kg;
 - (v) closing stock in kg; and
- g) with regard to seed cotton received for contract ginning from other countries or persons other than RSA producers, the following information for the month concerned;
- (i) Person or country;
 - (ii) opening stock in kg;
 - (iii) plus received stock in kg;
 - (iv) less ginned stock in kg;
 - (v) closing stock in kg; and
- h) with regard to cotton lint produced from seed cotton purchased by the gin, the following information for the month concerned:
- (i) Opening stock in kg;
 - (ii) plus stock produced;
 - (iii) less sales in kg;
 - (iv) closing stock in kg;
- i) with regard to cotton lint produced from seed cotton received for contract ginning, the following information for the month concerned:
- (i) Opening stock in kg;
 - (ii) plus stock produced;
 - (iii) less stock delivered in kg;
 - (iv) closing stock in kg;

(6) A monthly crop return shall be submitted by the ginners which reflect the following information per production area and country, in respect of seed cotton that the gin expects to purchase and/or expects to contract gin:

- a) the month concerned;
- b) production year concerned;
- c) name and address of the ginnery concerned;
- d) date on which report is submitted;
- e) area under which crop is planted;
- f) hectares under irrigation or dryland;
- g) estimated yield in kg seed cotton per hectare with regard to areas under irrigation or dryland;
- h) estimated crop in 200 kg lint bales;
- i) percentage handpicked; and
- j) percentage of crop ginned up to date.

(7) A monthly return shall be submitted by spinners which reflect the following information:

- a) the month concerned;
- b) the marketing year concerned
- c) name and address of spinner concerned;
- d) with regard to cotton lint purchased, the following information for the month concerned:
 - i. name of the seller
 - ii. date received;
 - iii. cotton lint purchased from each seller in kg; and
- e) with regard to cotton lint received, the following information:
 - i. the month concerned;
 - ii. cotton lint received in kg from South Africa, Swaziland, Zimbabwe and other countries;
 - iii. closing stock in kg; and
- f) with regard to the quantity cotton lint consumed, the following information:
 - i. the month concerned;
 - ii. cotton lint consumed in kg from South Africa, Swaziland, Zimbabwe and other countries;

iii. closing stock in kg;

(8) A monthly return shall be submitted by any person who import or export cotton, which reflect the following information:

- a) the month concerned;
- b) the marketing year concerned;
- c) name and address of person or instance concerned;
- d) type of product imported or exported;
- e) quantities or volume concerned in kg; and
- f) origin and/or destination of each quantity or volume in kg.

(9) A record system that reflects good accounting practice shall be introduced and kept by Cotton South Africa.

(10) The records of Cotton South Africa, and agents if appointed, shall at least annually be audited by an internationally recognised firm of Chartered Accountants and in addition be subject to internal audits and controls as may be required by the Companies Act.

Commencement and period of validity

6. This statutory measure shall come into operation on the date of publication hereof and shall lapse on 31 March 2014.