



SABIO

South African Bee Industry Organisation

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MINUTES OF THE SABIO MEETING WITH THE NAMC HELD AT THE ARC OFFICES PRETORIA AT 09:30 ON TUESDAY THE 10 AUGUST 2010

1. WELCOME

John Moodie, the Chairman of SABIO, opened the meeting at 10:00 and welcomed all present.

2. ATTENDANCE

An attendance register was circulated and is attached.

3. PURPOSE OF THE MEETING

The purpose of this meeting was the SABIO Board and facilitators to meet with the NAMC and discuss the implementation of the Report Proposals. Mr. Dawid Smit had been asked to present his proposal "Statutory Measures for SA Bee Industry" of the previous day to all present, so that it could be used as a starting point for discussion.

Content:

Mr. Dawid Smit presented the various slides covered in his presentation explaining the content of his implementation plan. He focused on the question "Why going Statutory was important for the bee industry?". He also mentioned SABIO would need to have a total plan before any minor changes can be made.

Legislation & Regulations in Perspective: Mr. Dawid Smit indicated that we have legislations and regulations. The three bodies namely DAFF, DTI and the NAMC with the bee industry will need a memorandum of agreement to ensure cooperation between various parties. DAFF is able to manage disease control, DTI is able to manage import control and tariffs and NAMC is able to manage payment of fees and levies. SABIO is not able to manage all of these functions and need these three bodies to help in this regard.

The Process Ahead : Mr. Dawid Smit presented a summary of what lies ahead for us and the various functions that need to take place to initiate this proposal. (power point presentation attached)

The Schedule : Mr. Dawid Smit projected a spreadsheet which indicated a time scale and budget presenting the various steps or task that have to be done before July next year. Mr. Schalk Burger asked when we planed to implement the statutory measure as they take some time to prepare. Mr. Dawid Smit answer by next year March. Mr. Dawid Smit mentioned that with a road show this proposal would be advertised to the general public. Mr. Schalk Burger mentioned that at least 60% support is required from the industry to proceed with statutory levies. In other words a 60% buy in is needed from the beekeepers. Mr. Ronald Ramabulana wanted to know how many commercial beekeepers were in the Bee industry and if they supported the proposals. Mr. John Moodie indicated that at all the meetings held so far there had been questions but no veto of the principle of statutory levies if they were fairly implemented and agreeably confidential. Mr. Dawid Smit indicated that all beekeepers are not yet involved and we needed to address them. Mr. Schalk Burger mentions that we need to remember that all of them need to be consulted. Mr. Mike Miles asked if the processes could be managed in a consultative using the existing present structures. For example 90% buy in from associations of **hobbies**, small beekeepers, commercial beekeepers etc. we consult with them regarding the levy system instead of an expensive road show. Would that be acceptable to the NAMC? Mr. Schalk Burger said that this could work, but it may be difficult to get an answer from the various groups. Mr. Ronald Ramabulana commented that it was impossible to get agreement between all leaders – this is assumed at is present.

Mr. William Urquhart suggested that beekeepers who have 0-10 hives be entered into the informal sector, and beekeepers from 10 hives up be enter into the formal sector. Mr. Ronald Ramabulana said that if you have some sort of scientific justification for this and it is fair then this could work. As long as it is fair and every one is in agreement.

Requirements & Principles : Mr. Dawid Smit read out the requirements and principles for statutory levies, the NAMC and the Bee industry as role players. Mr. Schalk Burger reminded everyone present that only 10% of the levies could be used for admin expense.

Industry Functions / Portfolio's: Mr. Dawid Smit mentioned the key elements and functions involved in the Industry.

Office & Administration: Mr. Dawid Smit mentioned that all of these functions could be managed by an external body and suggested that Hortgrow be approached.

Organisation: Mr. Dawid Smit mentioned the various organisations involved in the proposal. The external (partners) and the internal (roleplayers) involved in the Bee industry indirectly all play an important role in the industry.

Structuring: Mr. Dawid Smit presented a proposal for new SABIO structure to all present at the meeting. At the top block a board of directors were to be elected by the nine provinces. The nine provinces are primary members, with secondary members being commercial beekeepers, hobbyist and developmental categories. Out of every regional beekeepers forum two Board Members will be chosen to represent them in the industry. Mr. Schalk Burger indicated that if two Board Members are chosen from each group then you are left with 25 directors, which could be a problem. Mr. Dawid Smit's indicateed that there will only be a maximum of three directors attending meetings, as they will be divided into various groups and will not be at all the meetings simultaneously. Mr. Willian Urquhart indicated that

in Kwa-Zulu Natal they will have one representative for a number of beekeepers as a literate man to represent the others who do not have the same ability to communicate as he has.

The office indicated in the structure will need to be funded by 10% of the levy income for running administered cost. The structure also makes provision for non - voting members. Levy Calculation @ 0.5%:

Mr. Dawid Smit mentioned the various items that could be levied and indicated the various amounts at each levied item as an example that could be used. Some discussion of import levy on honey followed.

Mr. Ronald Ramabulana cautioned about importing honey from some countries eg. **Sundan** and advised us to stay away from them as far as possible.

Mr. Brett Falconer wanted to know details about import levies and Mr. Ronald Ramabulana explained that there needed to be an agreement between countries and they need to give their approval to the import levy. We also needed to be careful not to double levy on imported honey and other products at point of sale. It would be better to levy honey on per kg and not on bottled honey at point of sale.

Budgeting Factors: Mr. Dawid Smit mentions the various of expenses that will be encountered when managing a SABIO office. This is to show where the funds will be spent and to indicate the amount needed to run an efficient office. Mr. Ronald Ramabulana reminded all again that only 10% of the levy intake can be used to run the office and to cover admin cost. The total budget for implementing the new structure and levies was estimated to be R86 000 on the spreadsheet.

Goals: Mr. Dawid Smit concluded with a look at the goals his proposal was aiming for suggesting positive outcomes for the industry.

The Board Members showed an interest and accepted Mr. Dawid Smits proposal but they did not accept his new structure for SABIO or the implied budget including a road show. They asked that Mr. Dawid Smit work on the structure and it would be re-considered.

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Licenses: An option was presented by Mr du Preez which ask for each beekeeper to have a license to allow them to be beekeepers and to keep bees. Mr. Christo Joubert asked how are you going to control this form of management? It was indicated that DAFF could handle this via the post office and the funds will then be allocated to SABIO. Can we opt for statutory levies in this way? – Is it possible to we rather levy the individual instead of the product? Mr. Schalk Burger said that this would be a first and he is not sure whether it could work.

Questions raised at the meeting on the 9 August to ask the NAMC:

- 1) Does SABIO have to become an Art 21. Company for levies?

- 2) Functions vs. structure – how can these be aligned?
- 3) How can we measure sufficient 'Buy – in' from the industry for levies?
- 4) Legislation changes required for levies - for example the honey act.
- 5) Levy mechanism – at what point can levies be applied?
- 6) Cooperation between parties involved - DTI, DAFF and NAMC?
- 7) Plant health as the most suitable link with government? (For Alice Baxter)
- 8) Problem can arise on finding funding

Mr. Schalk Burger mentioned that everyone should be included and if possible nobody excluded. There are three points that need to be considered: 1st point is you need to decide, 2nd point is the less points of collection the better and 3rd point it must be simple. Mr. Schalk Burger also suggested that SABIO go and speak to other current levy legislators for example SAPO. You need support from role players, if you lack support it will not work. He mentioned that SABIO could use existing DAFF legislation for disease control if they agree to this. He mentioned that for any proposal to work you need to negotiate with a wide number of beekeepers and get approval and encouragement from them, you need sufficient support from the industry and you need to apply and provide a business plan for the NAMC to consider this proposal. There are four groups that you need to consider the first group is commercial beekeepers, second group is hobbyist, the third group is import and the fourth group is bottlers and you need to consider the developmental groups in our proposal as this is a factor for the NAMC.

Mr. Christo Joubert understood the importance of honey and bees in South Africa but how can SABIO sell statutory levies to the industry? Smaller beekeepers and hobbyist do not worry about the industry they only consider themselves. Mr. John Moodie mentioned that the bee industry can be difficult with a variety of interest groups but by- in was not an unrealistic goal.

Mr. William Urquhart suggested there could be a number of different income points – appeal to a variety of interests - regional, environmental, up-coming beekeepers. Encourage beekeeping through advertisements e.g. “don't pay you gym fees keep bees”.

Mr. Dawid Smit suggested to keep it simple and easy and levy on hives as there is only one collection point. Mr. Mike Miles asked about statutory levies on various of products – can we collect levies on bottled honey, hives and pollination hives. Mr. Schalk Burger responded by saying you need to only have a few collections points as the more collection points there are the more difficult it is to keep track of the collection process. You need to be careful because you cannot put a levy on imported honey and on bottled honey. The collection point needs to be on honey and pollination is a service that needs to be levied as a service and not a product. He advised legal advice in regards to levying certain items.

Mr. Mike Milles suggested a levy on manufactured products as a collection point. If you look at the registration levy we need to look at the associations. The associations can keep better track of their members, as they know who is who in their organization. They can self-police their members, if a member does not pay they get black listed.

Mr. Edward van Zyl mentioned that is this is pollination verses honey production issue. We also need to consider other systems before we decide and do some investigation before taking the final steps.

There were basically two options. The first is a hive levy and the second is honey levy. The present proposed regulations appoint DAFF as the registration authority - is it possible for this to include a clearance from SABIO that levies have been paid before compulsory registration occurs. Ms. Alice Baxter says that they are not responsible for any database registration and that the Department deals with registration- they are users of the database not managers. DAFF is not related to making money or keeping record of statutory levies. Ms. Alice Baxter mentions that she would look into this proposal and discuss it fully with the NAMC. The other option was to impose a levy on honey at point of sale using a sticker method and making it compulsory for all bottled honey to include a sticker – possibly in the form of a bar code. He 'Nando's' proposal was read out by Mr. Englebrecht.

Mr. Schalk Burger mentioned that you could apply for the three Acts of Marketing namely Act 15 , 18 and 19.

The suggestion of a 'ring fence' system was suggested. This system incorporated all groups involved in the industry that have paid and their deciding how to spend the proportionate amounts contributed. i.e. – associations, commercial beekeepers, emerging beekeepers and bottlers. Mr. Schalk Burger suggested speaking to Mr. Dave Ford of the Red Meat Forum as they had implemented the ring fence idea in their industry. The system is designed to give something back in proportion to the amounts paid by sectors in the industry. They decided on the collection points in their system. The government could implement inspectors to monitor and control the collection of levies. The motivation for this idea is that all involved in the system whether it be producers, traders, importers know they will get something back according to the amount they have contributed.

A question was asked of Ms. Alice Baxter on whether beekeeping interests were best served by Plant Health. Ms. Alice Baxter answered that all legislation before 1994 was being reviewed and she would keep us informed of developments in this regard. The Chairman thanked Plant Health for their sincere interest in beekeeping matters. He then asked about the proposed AFB regulations and how matters were proceeding. Ms. Alice Baxter mentions that there are no further developments to report on.

Decisions:

Structure of SABIO

The present structure of SABIO needed to be modified so that different interest groups can be more represented on the Board so to ensure that they are also taking into consideration. The Board would then become a representative groups with representative appointed from each sector of the industry. For example associations, bottlers, commercial beekeepers and emerging newcomers each group select board members from their group in a representative manner. Government and research interests could also be appointed to the board. Commercial beekeepers, bottlers or large beekeepers can have there own association with their own body that can represent them. This effectively that SABIO becomes a Board representing the interest groups in the industry.

The decision was made that Mr. Mike Miles will look into the need for SABIO to be an Article 21 Co. – if not what constitutional changes were necessary for statutory levies to be a realityfor SABIO.

Mr. Theunis Engelbrecht will look into organizing the commercial beekeepers into a representative organization.

The regional sectors we will consult with the respective Beekeeping Associations.

Ms Elize Lundall-Magnuson and William Urquart will consult with the developmental groups to propose a representative body.

Mr. Edward van Zyl and Schalk Voster will consult with the bottlers

Mr. John Moodie thanked everyone for attending the meeting.

Meeting closed at 15:00

NAAM	Position	
Christo Joubert		christo@namc.co.za
Schalk Burger		
Edward van Zyl	SABIO Board Member	
Theunis Engelberg	SABIO Board Member	
Andre de Preez	SABIO Board Member	
Pieter Greeff	NAMC Facilitator	
Jan Steenkamp	SABIO Board Member	
Mike Miles	NAMC Facilitator	
Dawid Smit	NAMC Facilitator	
Ronaldo Ramabolana	CEO NAMC	
Andre Jooste		
Alice Baxter		