

Agbiz presents to the portfolio committee on Agricultural Products Standard Amendment Bill

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The Portfolio Committee on Agriculture, Land Reform and Rural Development, on 1 November 2022, hosted public hearings on the Agricultural Product Standards Amendment Bill. The Bill aims to amend the Agricultural Product Standards Act, 1990, so as to insert definitions and substitute others; to provide for the auditing of a product for management control systems; to make provision for the setting of tariffs by assignees on a cost-recovery basis; to make further provisions for the Minister of Agriculture, Land Reform and Rural Development to make regulations pertaining to audit and management control systems.

A number of organisations were invited to present to the portfolio committee. These included the South African Fruit & Vegetable Cannery Association (SAFVCA) and the South African Fruit Juice Association (SAFJA), the Consumer Goods Council of South Africa, Primerio, the South African Organic Sector Organisation (SAOSA), Participatory Guarantee Systems South Africa (PGS SA) and Agbiz.

In its presentation, Agbiz highlighted certain of the definitions that needed to be clarified, the importance of consultation with industry stakeholders and cost-recovery as the basis for the setting of fees for assignees. Agbiz cited recent court judgements and the outcome of an internal appeal regarding the determination of costs by an assignee.

The courts required, amongst other things that the determination of the fees must be the result of a clear and transparent process and should be rationally connected to the purpose for which the decision was taken. The court also held that the purpose of the power of the assignee to determine a fee is to permit the assignee to be compensated for the cost of carrying out its duties in a competent and efficient manner. The question was then whether the fees determined by an assignee are rationally related to this purpose. Agbiz highlighted the importance of a fair and transparent cost recovery system and fee structure. The portfolio committee will now consider the input received during the public hearings and start to process the Bill.