

Agbiz presents to Portfolio Committee on the Agricultural Produce Agents Amendment Bill

Agbiz participated in oral hearings by the Portfolio Committee on Agriculture, Land Reform and Rural Development held on 3 and 4 May. The hearings were aimed at getting stakeholder input on proposed amendments to the Agricultural Produce Agents Act. Several organisations such as the Citrus Growers' Association of Southern Africa, the Institute of Market Agents of South Africa (IMASA), South African Fruit Promoters (Pty) Ltd, Vleissentraal, the Fresh Produce Exporters' Forum and HL Hall & Sons (Pty) Ltd also presented.

The most contentious amendment addressed by all presenters related to the introduction of compulsory insurance. The Bill aims to introduce a requirement for all market, export and livestock agents to insure the produce they sell on behalf of the farmer. Presenters argued that this is fundamentally a business decision that should be left to the discretion of agents and producers as it would dramatically increase the costs for all involved. As far as export agents are concerned, it could endanger market access as appropriate insurance is simply not available when the goods land in export destinations on the African and Asian continents. From a legal point of view, there are also doubts about the insurable interest as agents never become the owners of the produce they sell.

In its presentation, Agbiz highlighted shortening the period of prescription of claims against the fidelity fund, indemnity of the Agricultural Produce Agents Council (APAC) against claims, even claims based on negligence, additional requirements regarding contributions to fidelity funds, and seemingly duplicate requirements in this regard. Generally, Agbiz cautioned against an added cost burden, which will negatively affect competition in the sector and may act as a barrier to entry.

The next step will be meetings where the portfolio committee will consider the public input made during public hearings. A report on the public hearings will be compiled and the department and, in this case, probably APAC will have an opportunity to respond to

important points raised. Thereafter the legal advisors will be involved, if there are legal points that need to be clarified or responded to. Then clause-by-clause deliberations will follow with an opportunity for members to suggest changes in the wording of the Bill. A report will be drafted and the report as well as the Bill voted on. If it passes the vote, it will be submitted to the National Assembly for debate and a vote, whereafter the process in the National Council of Provinces will follow, which may once again have some public participation opportunities.