



REPUBLIC OF SOUTH AFRICA

SUPREME COURT OF APPEAL OF SOUTH AFRICA

MEDIA SUMMARY OF JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

FROM The Registrar, Supreme Court of Appeal
DATE 19 September 2005
STATUS Immediate

Please note that the media summary is for the benefit of the media and does not form part of the judgment.

CASE *The Maize Board v John Jackson*
(Case No 396 / 04)

Media Statement

On 19 September 2005, the Supreme Court of Appeal upheld an appeal by the Maize Board against the dismissal of an action instituted by it against the respondent in the Pietermaritzburg High Court. The action of the Maize Board against the respondent, a farmer in the Bergville area of KwaZulu-Natal was for payment of levies in the sum of R576 439,63. The Maize Board alleged that certain lease and management agreements that the respondent had concluded with Rainbow Chicken Farms, were simulated agreements, designed to disguise the fact that the respondent had sold and Rainbow had purchased maize. The purpose thereof, so it was suggested, was to evade the payment of the levies due to it. The High Court held that the Maize Board had not succeeded in proving that the agreements were not what they purport to be and accordingly dismissed the Maize Board's action.

According to the SCA, not only had the respondent been paid a production bonus by Rainbow when it was not due to him, but the production bonus was in itself incapable of computation in terms of the agreement. Moreover, the respondent had inexplicably not disclosed the existence of the agreements or the obvious financial benefits that flowed from those agreements to the Landbank when he applied for a loan to it. Finally, a factor that had to count against the respondent was his failure to testify about matters peculiarly within his knowledge. The SCA accordingly held that the payment of the production bonus by Rainbow to the respondent could hardly have occurred in terms of the management agreement which had been clearly disregarded by both parties. That payment coupled with the established fact of delivery of maize by the respondent to Rainbow led to the conclusion, according to the SCA, that the undisclosed agreement was indeed one of purchase and sale of maize and that the respondent was accordingly liable to the Maize Board for payment of levies.

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HOWIE P
STREICHER JA
VAN HEERDEN JA
NKABINDE AJA

The Maize Board v John Jackson

Amendments suggested by Belinda, for which I am grateful, have been highlighted. Herewith revised judgment and media statement.

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