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REQUIREMENTS FOR CONTRIBUTIONS

Articles in the field of agricultural economics, suitable for publication in the journal, will be welcomed.

Articles should have a maximum length of 10 folio pages (including tables, graphs, etc.), typed in double spacing. Contributions, in the language preferred by the writer, should be submitted in triplicate to the Editor, c/o Department of Agricultural Economics and Marketing, Pretoria, and should reach him at least one month prior to date of publication.

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The subsidy scheme for the preservation of breeding stock

As a result of an outbreak of foot-and-mouth disease in Botswana during 1957 a large part of the adjoining Molopo area and the Transvaal Bushveld was subject to strict quarantine measures up to 1963. During this time cattle farmers could not market cattle freely and inevitably the carrying capacity of their farms was overtaxed. Before the quarantine restrictions were withdrawn serious drought conditions particularly in the Transvaal Bushveld developed during 1962.

In 1964 serious drought conditions prevailed in the entire Molopo area, the whole of the Transvaal, Orange Free State and the Northern Cape. It was therefore practically impossible to trek with cattle to better grazing and particularly with cattle from the Transvaal Bushveld which had become immune to heart-water disease, without running the risk of suffering losses. The country's stock of cattle in the recognised cattle grazing and breeding areas was threatened and the need to preserve nucleus breeding herds in the national interest became urgent.

By 1964 cattle farmers had already made extensive use of the State's Fodder Loan Scheme as well as their own funds to keep their cattle alive but their financial position deteriorated.

Under these circumstances a fodder subsidy scheme was introduced in the Transvaal Bushveld under which cattle farmers could, without a means test, apply for the refund of 50 per cent of the purchase costs of approved kinds of fodder, including specific constituents to prepare cattle licks, to maintain a maximum of 250 breeding animals at a maximum feed cost of R2.00 a breeding animal per month. The monthly subsidy was thus R1.00 a month per breeding animal.

As drought conditions extended to the Molopo area, the fodder subsidy was also introduced there and the maximum number of animals which qualified was increased to 400 per applicant in both the Molopo and Transvaal Bushveld areas.

By the end of 1965 serious drought conditions extended to the recognised sheep grazing and breeding areas and early in 1966 also to the Little Karroo and the western parts of the Eastern Cape.

The fodder subsidy scheme for cattle was consequently extended towards the end of 1965 to a few districts in the Northern Cape and a fodder subsidy scheme was introduced in the Karroo, North-western Cape, Eastern Cape and the southern Free State for the preservation of a maximum breeding nucleus of 750 breeding ewes.

Without a means test sheep farmers could apply for a refund of 50 per cent of the purchase costs of approved kinds of fodder, excluding licks, at a maximum feeding cost of 40 cent per ewe per month. The subsidy was 20 cents per ewe per month. In the recognised Angora goat grazing and breeding areas farmers could apply for a fodder subsidy for 750 breeding sheep ewes or 750 breeding Angora goat ewes or 750 of both.

During 1966 the number of breeding ewes was increased from 750 to 1,000 and the fodder subsidy was extended to provide for a maximum of 50 pairs of ostriches in the Little Karroo at a maximum feed cost of R1.00 per bird, per month. The monthly subsidy was 50 cents per bird.

Owing to the wide-spread drought and the consequent scarcity of roughage, there was an abnormal increase in prices of fodder and there were also indications that farmers were being exploited. The only kind of fodder which was subject to price control was lucern hay and meal. For other kinds of roughage quality standards can only be established with difficulty and prices could not be controlled. Ceiling prices for the various kinds of fodder were, however, imposed at R18.00 a ton for leguminous hay, R14.00 a ton for grain and grass hay, R7.00 a ton for crop residues and other roughage and R3.80 per 150 lb. for pellet feeds.

At this stage the South African Agricultural Union, because of the high prices of fodder, found it necessary to come to the assistance of farmers by supplying roughage to livestock producers. The State lent support by paying the administrative costs and the fodder depots of the S.A. Agricultural Union were established. During 1965/66 and 1966/67 the State made *ex gratia* payments of R12,000 and R22,000 respectively. The State also gave a guarantee that any losses on unsold fodder stocks as well as losses arising from the sale of stocks at less than buying prices would be met. An amount of R42,000 was paid in this respect.

Because the fodder subsidies and other relief measures kept the animals alive, the numbers on the veld were not reduced - not even through mortalities - in spite of the long duration and intensity of the droughts. Since it was considered essential for the recovery of natural grazing, when rains came, cattle farmers were encouraged to reduce the number of cattle on their farms during 1966 after grazing was available in parts of the Transvaal other than the Bushveld and the Molopo area following good rains. The cattle were not in a condition suitable for the slaughterstock

markets and these farmers were financially not able to move their stock to areas where grazing could be hired.

To assist them to move their cattle from their home farms and thus give the veld a chance to recover and where they could not meet the costs to move the animals and hire grazing, 50 per cent of a maximum cost of 50 cents per head per month for hired grazing for any number of animals was subsidised. Loans for hired grazing were granted by the State and a maximum allowance of 25 cents per animal per month was deducted from the loan. Transport costs by train and by road motor services of the S.A Railways was subsidised by 75 per cent.

With the summer rains of 1966 and 1967 grazing conditions improved to such an extent that by June 1967 the fodder subsidy scheme remained in force in only one district and parts of eight districts in the North-western Cape.

The 1967/68 summer rainfall in the North-western Cape, the Karroo and the Eastern Cape was far below normal and grazing conditions deteriorated to such an extent that the fodder subsidy scheme was re-introduced in practically all districts during 1968 and for the first time in some districts in the Eastern Cape. In the Eastern Cape the fodder subsidy was, because of mixed farming, payable as follows:

- (a) on a maximum of 1,000 breeding sheep ewes; or
- (b) on a maximum of 400 breeding cattle; or
- (c) on a maximum of 700 breeding sheep ewes and 70 breeding cattle.

The fodder subsidy scheme was also re-introduced in small parts of the Transvaal Bushveld, on the condition that only cattle farmers to whom a fodder loan was granted qualified for the fodder subsidy through a rebate on the fodder loan.

In the recognised cattle grazing and breeding areas the fodder subsidy is restricted to one large-stock unit for every ten morgen and in the Eastern Cape to one large-stock unit for every six morgen. In the recognised sheep areas there are no restrictions.

During the past four financial years the following amounts have been disbursed:

	Subsidy on cattle feed	Subsidy on sheep feed	Subsidy on hired grazing
	R	R	R
1964/65	656,347	Nil	Nil
1965/66	2,788,177	359,809	5,686
1966/67	1,898,913	3,067,345	Nil
1967/68	141,614	1,085,528	Nil