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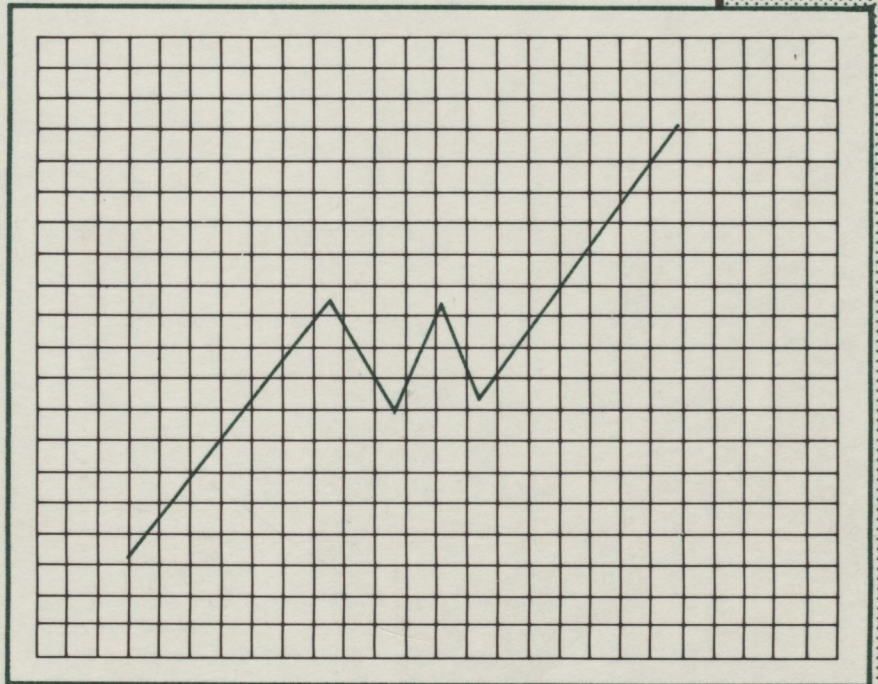
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INTERSTATE AGRICULTURAL MARKETING: PROBLEMS AND REMEDIAL PROPOSALS

by J.D. BOSMAN*

INTRODUCTION

In the years prior to the independence of the TBVC countries, agricultural marketing in South Africa was controlled where required by the RSA Marketing Act 1968 (Act 59 of 1968). Since the independence of these countries, each of them has promulgated its own agricultural marketing act. These acts control aspects such as production, marketing, research and processing within the respective countries. If one looks at developments so far, one finds that the physical geographical size of South Africa which was regulated by the RSA Marketing Act has decreased whereas the physical geographical areas which the legislation passed by the independent countries now controls has increased. Economically speaking, these areas are interdependent and form a single economic unit.

Although the SATBVC region is economically interdependent, certain problems pertaining to interstate agricultural marketing have emerged. In view of the spirit of multilateral co-operation which exists between the Heads of State of the SATBVC countries, the time has arrived to re-evaluate the whole issue of interstate agricultural marketing and to effect the necessary policy and structural changes. It should be remembered that the agricultural development of any particular state has a ripple effect throughout the economies of all other states. A country within the SATBVC area which has its own agricultural marketing act can control and direct its activities, which may be in conflict with those of other states. Pursuit of own interests instead of the interests of all the countries within the SATBVC area is normally the reason for such conflicting actions. As a result of such actions, a country may cause disruption in another country and effectively damage the industry of its adjacent partners.

The aim of this paper is to point out the substantial financial investment already made in agriculture in the TBVC and self-governing territories of South Africa, the agricultural production derived from these states, the agricultural economic interaction which exists and the problems pertaining to interstate agricultural marketing. Attention will also be given to the need for a more flexible approach and the contribution which agricultural marketing can make towards development. The paper will conclude by suggesting certain tasks for the managers of agricultural marketing in Southern Africa.

*Bophuthatswana Agricultural Marketing Board

FINANCIAL INVESTMENT BY THE DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)

Table 1 contains a summary of the investment made by the DBSA in agricultural projects from which physical agricultural production is derived and/or where farmers and agriculture-related activities have been given support in the form of assistance with agricultural production and marketing, to enable them to improve themselves.

TABLE 1. Investment in Agriculture in the TBVC Countries and self-governing territories by the DBSA

| Year | | Investment |
|--------------|---------------------------------|--------------------|
| 1983/84 | Loans for agricultural projects | R 101 187 000 |
| | | |
| 1984/85 | Project financing | 8 564 000 |
| | Support project financing | 1 779 060 |
| 1985/86 | Project financing | 12 114 000 |
| | Support project financing | 9 217 980 |
| 1986/87 | Project financing | 42 638 000 |
| | Support project financing | 8 089 860 |
| 1987/88 | Project financing | 97 225 209 |
| | Support project financing | 16 702 636 |
| Total | | 297 517 745 |

Source: DBSA

Although the table does not reveal the full extent of past and present investment in agriculture in the TBVC and self-governing territories, it does give one an indication of the magnitude of the investment already made in agriculture.

AGRICULTURAL PRODUCTION IN THE SATBVC COUNTRIES

Table 2 contains figures which indicate the production (in units) and the gross value of production of certain selected products in the SATBVC countries. The information is of a macro nature and merely gives an indication of the extent of agricultural production and also shows the dominance of South African agriculture in the region.

ECONOMIC INTERACTION WITHIN THE SATBVC COUNTRIES

The economic ties between the SATBVC countries are indeed multiple, of long standing, and are tending to become closer. There is no need to elaborate here on the diverse nature of the ties that

TABLE 2. SATBVC agricultural production

South Africa

| Product category | Production | | Gross value of production | |
|---------------------|-------------|-------------|---------------------------|------------------|
| | 1980/81 | 1985/86 | 1980/81 R'000 | 1985/86 R'000 |
| Cereals | | | 2 982 225 | 3 889 705 |
| Maize (t) | 14 651 000 | 8 077 000 | 1 767 185 | 2 014 348 |
| Wheat (t) | 1 470 000 | 1 680 000 | 313 537 | 619 815 |
| Grain sorghum (t) | 541 000 | 438 000 | 57 590 | 96 533 |
| Oats (seed) (t) | 85 000 | 12 000 | 8 443 | 2 000 |
| Meat (t) | 1 163 100 | 1 399 000 | 1 684 656 | 2 891 368 |
| Hides and skins (t) | 54 000 | 63 000 | - | - |
| Wool and mohair (t) | 110 200 | 107 500 | 228 209 | 557 039 |
| Milk (l) | 122 000 000 | 122 000 000 | 154 824 | 248 770 |
| Eggs (doz) | 237 800 000 | 273 000 | 166 917 | 361 120 |

Transkei

| Product category | Production | | Gross value of production | |
|-------------------------------|------------|--|---------------------------|--|
| | 1984/85 | | 1984/85 R'000 | |
| <i>Field crops</i> | | | | |
| Cereals | | | | |
| Maize (t) | 113 301 | | 24 870 | |
| Wheat (t) | 3 967 | | 992 | |
| Grain sorghum (t) | 22 172 | | 4 146 | |
| Oats (seed) (t) | 720 | | 133 | |
| <i>Animal products: Total</i> | | | 72 261 | |
| Meat (t) | 1 500 | | 5 828 | |
| Hides and skins (t) | 410 | | 567 | |
| Wool and mohair (t) | 3 538 | | 7 444 | |
| Milk (l) | 13 000 000 | | 8 350 | |
| Eggs (doz) | 59 901 | | 72 | |

Bophuthatswana

| Product category | Production | | Gross value of production | |
|-------------------------------|------------|---------|---------------------------|--|
| | 1980/81 | 1984/85 | 1984/85 R'000 | |
| <i>Field crops: Total</i> | | | 13 779 | |
| Cereals | | | | |
| Maize (t) | 69 000 | 40 000 | 8 780 | |
| Wheat (t) | 800 | 4 700 | 1 175 | |
| Grain sorghum (t) | 3 700 | 2 500 | 468 | |
| Rice (t) | - | 253 | 63 | |
| <i>Animal products: Total</i> | | | 11 855 | |
| Meat (t) | 1,6 | 4,6 | 10 617 | |
| Milk (l) | 1,6 | 552 140 | 331 | |
| Eggs (doz) | 1,6 | 840 000 | 907 | |

Venda

| Product category | Production | | Gross value of production | |
|---------------------------|------------|---------|---------------------------|--|
| | 1979/80 | 1984/85 | 1984/85 R'000 | |
| <i>Field crops: Total</i> | | | 7 610 | |
| Cereals | | | | |
| Maize (t) | 6 715 | 2 206 | 481 | |
| Wheat (t) | 105 | 60 | 18 | |
| Grain sorghum (t) | 739 | 8 | 1 | |
| Manna (t) | - | 216 | 43 | |
| Rice (t) | 14 | - | - | |
| Tea (t) | - | 1 034 | 5 170 | |
| Coffee (t) | - | 30 | 96 | |

| Production category | Production | | Gross value of production | |
|-------------------------------|------------|---------|---------------------------|--|
| | 1979/80 | 1984/85 | 1984/85 R1 000 | |
| <i>Animal products: Total</i> | | | 985 | |
| Meat (kg) | 1 170 000 | 256 832 | 586 | |
| Milk (l) | 18 220 | 824 866 | 388 | |
| Eggs (doz) | 18 220 | 7 992 | 10 | |

Ciskei

| Product category | Production | | Gross value of production | |
|-------------------------------|------------|--|---------------------------|--|
| | 1985/86 | | 1985/86 R'000 | |
| <i>Field crops: Total</i> | | | 1 315 | |
| <i>Cereals</i> | | | | |
| Maize (t) | 5 000 | | 1 225 | |
| Wheat (t) | 100 | | 32 | |
| Grain sorghum (t) | 300 | | 58 | |
| <i>Animal products: Total</i> | | | 19 600 | |
| Meat (t) | 2 800 | | 17 600 | |
| Milk (l) | 4 261 000 | | 2 000 | |

Source: Statistical Abstracts, DBSA, 1987

link the countries of the region. The migration of hundreds of thousands of workers across national borders to mining and industrial centres in South Africa; the vitally important network of rail, road and air transport and telecommunications linking Southern African countries with each other and the rest of the world; the emerging regional power grid; the significance of SATBVC as a purveyor of food and consumer goods to neighbouring countries; the role of these countries as sources of investment capital, technical know-how for agriculture, mining, industry and so forth; the many common features with regard to climate, geology, soil, fauna, flora, insect and other pests, population factors and economic structures - these and related issues have forged bonds that have persisted and in several respects even become stronger notwithstanding profound ideological differences.

Such interaction has been formalised on many

occasions in the form of signed agreements, the Customs Union Agreement and within the framework of multilateral co-operation for regional economic development in Southern Africa.

Owing to the open border situation between the SATBVC countries it is rather difficult to establish exactly the extent of trade between these countries. Attempts have been made to quantify the volume of trade that flows from one country to another. Table 3 gives an indication of income and expenditure by the households in the TBVC countries and the amounts spent inside and outside the countries. It may be readily assumed that in the case of expenditure on agricultural products, the majority of those products emanate from the RSA, but that the volume of trade from the TBVC countries to the RSA has increased over the last few years (although it has still been at very low levels).

TABLE 3. Income and expenditure by TBVC households

| | BOP 1985 | | Ciskei 1987 | | Venda 1986 | |
|--|-------------|------|----------------|------|---------------|----|
| | | % | | % | | % |
| Total income (R'000) | 1 209 200 | | 822 200 | | 344 453 | |
| Earned inside (R'000) | 634 830 | 52,5 | 46 763 | 66,5 | 282 796 | 82 |
| Earned outside | 754 370 | 47,5 | 275 437 | 33,5 | 61 657 | 17 |
| Total cash expenditure (R'000) | 1 043 800 | | 740 400 | | 312 760 | |
| Cash spent inside | 761 974 | 73,0 | 503 472 | 68,0 | 225 187 | 72 |
| Cash spent outside | 281 826 | 27,0 | 236 928 | 32,0 | 87 573 | 28 |
| Total food expenditure (R'000) | 414 959 | | 593 611 | | 120 683 | |
| <i>Agricultural products expenditure (R'000)</i> | | | | | | |
| Grain products | 111 110 | | 96 871 | | 51 405 | |
| Meat products | 867 945 | | 73 790 | | 21 412 | |
| Fats and oils | 13 098 | | 11 080 | | 3 707 | |
| Dairy products and eggs | 20 849 | | 11 036 | | 4 242 | |
| Vegetables | 76 808 | | 44 596 | | 13 551 | |
| Fruit and nuts | 36 684 | | 20 013 | | 6 837 | |
| Confectionery | 24 706 | | 23 402 | | 8 849 | |

Source: UNISA Bureau of Market Research

MARKETING ARRANGEMENTS FOR AGRICULTURAL PRODUCTS IN THE SATBVC COUNTRIES

Following the independence of the TBVC countries, bilateral agreements or understandings were reached between the South African agricultural control boards and the respective marketing authorities in the TBVC countries (See Table 4). These marketing (agency) agreements were concluded either to continue certain agricultural marketing practices prior to the independence of these countries or on an *ad hoc* basis when serious marketing problems were experienced.

In the case of maize the South African Maize Board acts as the agent for the marketing of maize produced in Bophuthatswana, Lebowa, Venda en Ciskei. Agency agreements are in force with the South African Meat Board, which provides quotas and permits enabling all states to market in South Africa. This board also acts as the agent for a broad spectrum of services in Bophuthatswana, Venda and Lebowa.

Agency agreements exist between the South African Egg Board and the marketing boards of Bophuthatswana and Lebowa, and Bophuthatswana also has agreements with the South African Oilseeds Board. Deliberations between the various other South African marketing boards and their counterparts in the TBVC countries are conducted on a regular, although *ad hoc* basis (Leistner & Esterhuysen, 1988).

In the case of the South African sugar industry, aspects of production and marketing are governed by legislation. In South Africa the South African Sugar Association (SASA) implements the provisions of the Sugar Act of 1978. A most important feature of this Act concerns production control through the establishment of production quotas for producers. This Act also applies to the sugar industry in the Transkei through an agency agreement with the SASA for sugar development in Northern Pondoland.

AGRICULTURAL MARKETING PROBLEMS EXPERIENCED BY SATBVC COUNTRIES

In spite of the advantages derived from these agency agreements between the respective countries and RSA control boards, certain problems have been and are being experienced by the various marketing authorities. One should bear in mind the fact that agricultural production in the independent countries is going to increase and that more and more products will be produced by these countries. These countries, with different political and economic aspirations as well as divergencies in agricultural production and marketing development, will have a bearing with the trade on the bigger Southern African market.

Some of the problems pertaining to agricultural marketing within the SATBVC region are summarised below:

- (i) Agricultural production and/or marketing of a specific product may be controlled in one

country whereas there is no control in other countries.

- (ii) There may be reluctance to relinquish certain powers, which had existed before and which were exercised by RSA control boards, to the TBVC countries. This may even lead to interference by the RSA in trade between the TBVC countries themselves as well as the charging of certain levies on products received and processed in the TBVC countries.
- (iii) Prohibition by the RSA of the marketing of agricultural products produced in TBVC countries in the RSA.
- (iv) Non-uniform selling prices by the marketing authorities in the respective states.
- (v) Producers are prohibited from selling their produce to the nearest receiving depots which may be in a nearby neighbouring state within the SATBVC region.
- (vi) Some countries are restricted in respect of their load capacities when transporting goods by road.
- (vii) Non-optimal distribution of products (transport distances are unnecessarily long).
- (viii) Volume and distribution restrictions put on countries when marketing their products in the common agricultural market.
- (ix) The introduction of new agricultural marketing arrangements or regulations without prior consultation, which can result in severe complications especially for the developing members of the region.

SOME WIDER PERSPECTIVES FOR AGRICULTURAL MARKETING AND TRADE WITHIN THE SATBVC REGION

Development aspects

Southern Africa is regarded as an integrated economy made up of economic development regions, each having its own distinctive development features and requiring development strategies to address those issues which are of particular importance to it (DBSA, 1987 - 1988).

The regional development policy of the SATBVC countries aims to create a more balanced pattern of development in Southern Africa. All the countries have agreed to co-operate and the entire area has been divided into eight economically functional regions that extend across political boundaries. Because of differences in resources and circumstances, each region will draw up its own development strategy that will have to harmonise with the strategies of the others. The developmental strategy of any country today can no longer be independent of what other countries throughout the region or the world are doing.

Regional development in the SATBVC countries is marked by a concentration of economic activities and resources in the metropolitan core areas (e.g. PWV area) and a lack of resources in the peripheral areas. As a result, the space economy of Southern Africa is characterised by both fast-growing and slow growing regions. Regional

TABLE 4. Institutional arrangements in the field of agricultural marketing and production in the SATBVC region

| Agreements or understanding between authorities | <i>Ad hoc</i> interaction | No formal interaction |
|---|---|---|
| <i>Maize marketing</i> Agency agreements between RSA Maize Board and TBVC countries | | Chicory Lucerne Mohair Bananas Deciduous fruit |
| <i>Wheat marketing</i> Agency agreements between RSA Wheat Board and TBVC countries. Training of personnel <i>re</i> grading and baking | <i>Tobacco marketing</i> Discussions between RSA Tobacco Board and Venda | Wine and wine spirits Other subtropical fruit and vegetables Rooibos tea Sisal |
| <i>Meat marketing</i> Quotas by RSA Meat Board allocated to TBVC countries. Restriction on meat in an unprocessed form exported to the RSA. Agency agreements exist between RSA Meat Board and Bophuthatswana, Transkei and Ciskei | <i>Dried fruit marketing</i> RSA Dried Fruit Board offers services as marketing channel to all interested countries | |
| <i>Mohair marketing</i> Mohair marketing agreements exist between RSA Mohair Board and Transkei and Ciskei | | |
| <i>Egg marketing</i> Agency agreements between RSA Egg Board and Bophuthatswana and Venda | | |
| <i>Dry bean marketing</i> Verbal marketing understanding between RSA Dry Bean Board and TBVC countries on the importation of dry beans by TBVC countries | | |
| <i>Oil seed marketing</i> Agency agreements between the Oilseeds Board and Bophuthatswana | | |
| <i>Sugar industry</i> Agency agreements between the South African Sugar Association and Transkei. Negotiations between SA Sugar Association and Ciskei in progress | <i>Dairy products</i> RSA Dairy Board agents distribute butter and cheese in TBVC countries | |
| <i>Tea and coffee industry</i> Standing committee with RSA, Transkei and Venda as members | | |
| <i>Potato marketing</i> Agreement by consent between RSA Potato Board and Transkei not to market surpluses during latter country's marketing season | <i>Canning fruit industry</i> RSA Canning Fruit Board requires the prescribed RSA quality standards to apply in all countries | |
| <i>Tobacco marketing</i> Tobacco Board has marketing agreement to market Transkei tobacco | <i>Citrus marketing</i> Close co-operation between RSA Citrus Board and TBVC producers. Ciskei a member of RSA Citrus Exchange | |
| <i>Wool marketing</i> Agency agreements between RSA Wool Board and Transkei and Ciskei | | |
| <i>Cotton marketing</i> Agency agreements between RSA Cotton Board and Bophuthatswana | | |
| <i>Banana marketing</i> Agency agreements between RSA Banana Board and Venda. Informal agreements with Ciskei and Transkei | | |

policies have therefore become an indispensable part of general socio-economic development policy so as to reduce imbalances between regions and ensure the productive and equitable participation of all people in the development process. Inequitable distribution of prosperity occurs within each area and disparities are often great, owing to income inequalities.

Attempting to promote agricultural development in the less developed areas is not a simple matter. A successful agricultural development policy will need to be comprehensive and appropriate in nature and will need to focus on direct measures to alleviate poverty by raising productivity and minimising conflicting interests (Van der Kooy, 1985).

The highly dualistic nature of the economy in the SATBVC region has important implications for agricultural development in general. Although most agricultural commodities are produced in surplus quantities in the SATBVC region, the distribution of production is extremely skew. In order to promote a stable and balanced regional development pattern, all categories of farmers have to be catered for in policy and planning (Van Rooyen, 1984).

Small-holder agriculture will have to be encouraged and stimulated to participate effectively in the agricultural production process in order to establish a sound basis for rural development. By producing and marketing surpluses at the local level, employment is created on farms and in agro-based industries.

Marketing aspects

In an attempt to improve living standards and achieve fuller employment and economic expansion, one of the aims which must be recognised is to transform the member countries' separate and disparate markets into a large common market where people and goods can move about as freely as in a domestic market. A large, strong common market of this kind could provide essential encouragement for economic development. By creating a larger market and intensifying competition, a stronger internal (domestic) market will foster the optimum allocation of resources and production factors and will allow firms to make the best use of their comparative advantages.

A President's Council Committee (1984) is convinced that the fundamental characteristics of the market economy must be preserved in the South African economy, and where they do not exist, they must be created and expanded. Three such features may be noted:

- (i) The principle of the decentralisation of decision-making and control of the economy to a level of units which is manageable - a principle which is in line with present political thinking on the decentralisation of decision-making.
- (ii) The utilisation of a flexible price mechanism to provide information to producers, production factors and consumers by the signals it gives.
- (iii) The employment of private initiative and ownership and the accompanying profit motive

to pursue economic activities.

Analysis of the various restrictions on the freedom of market participation requires in the first instance a general frame of reference in respect of the principles influencing the operation of the market mechanism and of the objectives underlying the most important source of restrictions, namely government action. In evaluating the implications of the economic system for the welfare of the community, the following are accepted as basic premises:

- (i) In pursuit of welfare, the community at large and not a specific group or groups must receive priority;
- (ii) the comparison of systems often amounts to the comparison of unrealistic idealised systems;
- (iii) the problems inherent in the use of the welfare criterion in comparing systems require consideration of associated objectives such as individual freedom (in consumption, production and the supply of production factors), equity and economic growth.

In order to achieve the above-mentioned and also owing to the fact that neither the bureaucratic nor the market mechanism is well developed in the Third World, attention should be concentrated on improving and strengthening the market system rather than on replacing it with detailed control which would overburden the bureaucratic system. The government must always ensure that collective services, such as education, are provided, and that certain deficiencies in the market system, such as monopolistic practices and externalities, are corrected. The private sector should be encouraged to undertake all the functions it could possibly handle (President's Council, 1984).

The goal of the market system should be to minimise distribution costs, to reduce spatial and seasonal price fluctuations and to handle the increased marketable surpluses emanating from expanding production efficiently. These functions have to be organised within two major constraints faced by the developing countries, namely shortage of capital and lack of skilled manpower. A market organisation must therefore make use of administrative manpower.

Marketing theory posits an active and necessary role for marketing in the achievement of consumption in many situations, and marketers have carried this thinking to the field of economic development. They believe that infusions of marketing technology in an underdeveloped national market can be a multiplier of growth in other sectors - in other words, that marketing can create economic development. It is their thesis that at certain levels of development, marketing is not just helpful, but is essential to economic development. It is important not only to recognise that marketing has a role in economic development but also to define that role as clearly as possible. The role of marketing is not only as a facilitator of production, as most economists and the marketing determinists believe, but also as a necessary catalyst to achieve consumption. Charles Skater expressed this viewpoint well when he stated: "It is hypothesized that the market process economy

is demand driven: the rate of production is set by the effective demand for consumption, capital formation and export demand, not by available production capacity" (Cundiff, 1986).

Economic planners in developing countries have generally neglected marketing considerations in developing plans. They view marketing as something that either takes care of itself or occurs after production and technology decisions have been made. But if marketing, or planning itself, is to be effective, marketing needs to be introduced at the beginning of the economic planning process; not at the middle or end (Kotler, 1986).

How can marketing development planners provide the necessary marketing inputs to achieve an increase in consumption? There are three important courses of action to be taken: the development of a minimum marketing infrastructure, the channelling of productive capacity investment into appropriate consumer goods industries, and securing the acceptance of certain generally accepted marketing principles by the local businessmen (Cundiff, 1986).

One of the most important factors necessary for further economic growth is the development of a national market system. To be effective, a market system must reach a large number of farmers. A market organisation that fails to do so, however well conceived, will not serve the purpose of providing an incentive price to boost agriculture generally.

In serving generally accepted marketing principles, it may be necessary to marshal a body of experts within the agricultural community who are aware of current knowledge and thinking about marketing in the developing nations. This knowledge should include an understanding of consumer behaviour, the elements in the marketing mix, and conversance with operating philosophies such as the marketing concept. Such a pool of marketing managerial talent provides the available expertise at the company level to ensure that consumption will increase hand in hand with production.

The large-scale poverty found in many areas of the SATBVC region demands that rapid economic growth should be an objective to which the highest priority is given. The growth capacity of the economy should therefore constantly be expanded and fostered because a growing economy makes it much easier to combat and reduce poverty. Economic growth results if the quantity of production factors is increased or better utilised.

Two factors in the market oriented economy promote growth, namely the extent to which the individual works best in his own interests and the freedom with which the individual can participate in the economy, although this freedom cannot be regarded as absolute. Restrictions on freedom to operate efficiently in the market economy can inhibit economic growth and therefore a re-evaluation and removal of legal restrictions which hamper freedom of participation must take place. The decentralised system of decision-making and the profit and loss account also help to promote growth.

Economic growth aspects

The main sources of growth in output from both agriculture and the rest of the economy are technological improvements, increasing use of purchased intermediate inputs, and capital investment, whether in machinery, education, infrastructure, or research and development. These factors make the existing land and labour more productive. Growth in productivity, rather than in bringing more land and labour into production, accounts for most of the output growth we observe - whether in the United States or in low-income countries.

The sources of economic growth provide one clue as to why growth needs to be balanced between agriculture and the rest of the economy if economic development is to succeed. The nascent manufacturing sector is constrained initially by the size of the domestic market (defined as the number of people times their purchasing power). (Export of manufactures is not generally feasible until the industry matures). Agricultural development requires increasing quantities of tools, machinery, fertiliser, transportation, commercial services, and construction. As rural income grows, farm families are able to buy more consumer goods, such as textiles and clothing, cookware and dishes, radios, kerosene, processed foods, vegetable oils, bicycles, and home construction materials. Many of these farm inputs and consumer goods can be produced by the nascent manufacturing sector. Broad-based agricultural development, which increases rural incomes of all classes, can exert a powerful stimulus to development of the non-farming sector.

The increased income this generates in the non-farming sector has a further multiplier effect, as it is in turn spent on other goods and services, including farm products. Without this stimulus from rural expenditures, non-farm development and general economic development tend to lag (La-Anyane, 1985).

Developing countries such as the TBVC countries must export to earn the foreign exchange needed to import essential inputs for development. Since agriculture is the largest sector of such countries, exports will almost certainly have to come from there, at least initially, unless a country possesses exportable mineral wealth. If the agricultural sector fails to produce a positive balance on agricultural trade, it may well put a brake on national economic development. Countries must also try to produce those products in which they have a relative comparative advantage.

Co-operation aspects

The systematic co-operation proposed here would have to be planned on the basis of the inter-industrial relationships that already exist within the region.

Co-operation of the national agricultural sectors has the important advantage of being able to influence the location and productivity of increases in production required to satisfy future growth in

food demand. While concerning itself with current output, the grouping's major concern in agriculture should be to influence national policies regarding future output. Another consideration of importance with regard to subregional co-operation is that many things can be done better within a wider context than in a purely national context, though they may be difficult to pursue within a full international setting. An example is the specialisation of agricultural production which can be planned on a subregional basis but not on a global scale (La-Anyane, 1985).

Co-operation in national agriculture is not easy to achieve. Many obstacles are strewn in its path. The major obstacles are the inadequate understanding of the process itself by the member countries, the difficulties of modifying agricultural production structures through national action, the need to formulate co-operation plans to cover the long term; governments' attitude towards national self-sufficiency in basic foodstuffs, and the dearth of information and statistical data on production, prices and the intra Southern African trade of agricultural commodities available for export or required as imports. Differences between countries could also raise fundamental issues with regard to the organisation of co-operation movements. The countries may vary widely in their social and cultural aspirations and in their stages of economic development, raising issues concerning reciprocity of benefits and costs. This situation contributed to the break-up of the East African Community. In contrast, in West Africa, the wide variation in the levels of economic development and in social and political inclinations has not had an adverse effect on the union of the states into ECOWAS, which promises to be a model of subregional community organisation in tropical Africa (La-Anyane, 1985).

Trade in agricultural products and inputs is a fundamental component of subregional and regional co-operation schemes. Intra Southern African trade is a prerequisite for the improvement of the self-sufficiency of the Southern African region. The basic trade issue in the co-operation of national agricultures is to create new trade. Since the commodities traded are mainly agricultural products, the problems associated with intra Southern African trade are closely interrelated with those of agricultural production within the context of regional co-operation (La-Anyane, 1985).

MANAGERIAL TASK OF AGRICULTURAL MARKETERS

If one looks at the substantial amounts of money already invested in agriculture in the TBVC countries and self-governing territories of Southern Africa, the millions of rands spent on agriculture and agriculture-related products, the need for

development to decrease the gap between the developed and developing areas and the need for economic growth and strengthening of the market economy within the SATBVC region, then it becomes imperative that a systems approach be adopted in order to organise efficient economic structures or relationships. The systems concept of management states that management is a changing, viable, interrelated and synergistic set of subsystems that work together under a guiding logic (Allen, 1964).

The managerial task of agricultural marketers in the SATBVC region is then to acknowledge that the region is an integrated whole where economic relationships transcend political boundaries. This calls for the development of objectives, policies, organisational structures, relationships and the evaluating of performances in order for the communities which are in need of development to take part in the benefits which flow from a true market economy. Steps must be taken to ensure the widest participation. Given the right environment and conditions, these initiatives will significantly enhance local benefits to be gained for agro-industrial and other development. Lastly, it must be remembered that where there is a genuine basis for economic co-operation, the different shades of political viewpoint should not prevail forever over the wisdom of association.

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