



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Agrekon

VOL.7 No.1

JANUARY 1968

Editorial Committee: A.J. du Plessis (chairman),
Dr. A.P. Scholtz, H.J. van Rensburg and
O.E. Burger
Editor: Dr. A.J. Beyleveld
Technical editing: J. de Bruyn

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.

The Journal is obtainable from the distributors: "AGREKON", Private Bag 144, Pretoria.

The price is 20 cents per copy or 80 cents per annum, post free.

The dates of publication are January, April, July and October.

Contents

	<u>Page</u>
I. EDITORIAL	1
II. ECONOMIC TENDENCIES IN THE SOUTH AFRICAN AGRICULTURE	2
III. ARTICLES	
1. The South African wool reserve price scheme and its administration by J. D. M. MacDonald	4
2. International commodity agreements with special reference to recent develop- ments and future possibilities by H. J. P. L. Kruger	10
3. Recent changes in the location factors of South Africa's developing meat processing industry (Part II) by K. Haffert	16
4. Economic aspects of the use of electricity on farms by F. G. Steyn	19
IV. STATISTICS	25
V. GENERAL, COMMENTS & ANNOUNCEMENTS	33

Economic Tendencies in the South African Agriculture

The most recent developments in the agricultural economy are shown in the accompanying graphs. The tendencies for the past year in particular may be summarised as follows:

GROSS CONTRIBUTION TO THE DOMESTIC PRODUCT

The gross contribution of the agricultural sector to the gross domestic product increased from R713 million in 1965/66 to R804 million in 1966/67, which represents an increase of about 13 per cent.

The net farm income increased during the corresponding period from R441 million to R531 million or by 20 per cent.

AGRICULTURAL PRODUCTION

The gross value of agricultural production is estimated at R1,307 million, and increased by 24 per cent in comparison with the previous year. The gross value of field crops increased by 56 per cent during 1966/67 in comparison with 1965/66, while horticultural products increased by 4 per cent and livestock products by 5 per cent.

On account of favourable weather conditions the volume of agricultural production increased by 26 per cent during 1966/67. The volume of field crops increased by 68 per cent, while the volume of horticultural products remained constant and livestock products showed a slight increase.

PRODUCERS' PRICES

The combined producers' price index for agricultural products increased by 3.6 per cent during 1966/67 in comparison with the previous

year. Prices of field crops increased by 2.7 per cent in comparison with the previous year, those of horticultural products by 4.7 per cent and livestock products by 3.7 per cent.

PRICES OF FARMING REQUISITES

The combined price index for all farming requisites and the index for medium-term requisites increased by 2.5 per cent and 1.2 per cent respectively. The greatest increase was shown by feeds for livestock, 5.6 per cent followed by fencing materials with an increase of 4.1 per cent. The combined consumers' price index increased by 3.6 per cent during 1966 as against 3.7 per cent in the previous year. The prices of vegetables increased by 8.2 per cent during 1966 and those of sugar and related products by 7.1 per cent.

EXPORTS

The total value of South African exports during 1966 is estimated at R1,096 million as against R964 million during 1965. Of these amounts agriculture contributed 28.9 and 26.4 per cent respectively. In comparison with the previous year the total value of exports increased by 14 per cent. Unprocessed agricultural products increased by 10 per cent.

CAPITAL FORMATION

The yearly capital formation in agriculture fluctuates considerably from year to year. In respect of machinery and implements investment during 1967 amounted to about R75 million as against R68 million during the previous year. During 1967 R50.1 million was invested in fixed improvements.

EKONOMIESE TENDENSE IN DIE SUID-AFRIKAANSE LANDBOU/
ECONOMIC TENDENCIES IN THE SOUTH AFRICAN AGRICULTURE

Indekse van produksie en pryse van landbou- en verwante produkte/
Indices of production and prices of agricultural and related products
1947/48 - 1949/50 = 100

