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# Agrekon

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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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## Economic Tendencies in the South African Agriculture

The accompanying graphs illustrate the agricultural economic developments since 1947/48. The more recent tendencies with special reference to the past year are briefly as follows:

### CONTRIBUTION OF AGRICULTURE TO THE GROSS DOMESTIC PRODUCT

The Department of Statistics estimates the gross domestic product for the Republic of South Africa and South West Africa at R9 540 million for 1968. This exceeds the amount for the previous year by about 5.6 per cent. The contribution of agriculture is estimated at about R888 million, which represents about 9.3 per cent of the G.D.P. as against R986 million and 10.9 per cent in 1967. For the first three quarters of 1969 the accrued value of the agricultural sector is estimated at R657 million in comparison with R716 million during the same period in 1968.

### AGRICULTURAL PRODUCTION

The physical volume of agricultural production during 1968/69 increased by about 1.5 per cent. Notwithstanding increased plantings of field crops, total physical output was slightly lower than during the previous year when production was also less favourable. The volume of horticultural and livestock production increased however, by 2.3 and 4.1 per cent respectively.

The gross value of agricultural production for 1968/69 is estimated at R1 247.7 million. For the past few seasons the position has been as follows:

Year	Gross value R million	Physical volume 1964/65 = 100
1964/65	1 016	100
1965/66	1 060	103
1966/67	1 296	127
1967/68	1 203	115
1968/69	1 248	116

### PRODUCERS' PRICES

The combined producers' price index for agricultural products showed an increase of about 2.9 per cent during 1968/69. Prices of field crops have, on account of the decrease in output of certain summer crops and consequently higher prices increased by 5.4 per cent.

Prices of horticultural crops were about 10 per cent higher than the previous year. Higher prices on export markets account for this to a considerable extent. The price index for livestock was about the same as for the previous year. After a sharp increase in prices of livestock during recent years, the prices of slaughter cattle showed no increase, while prices of slaughter sheep and pigs declined by 4.4 and 7.3 per cent respectively. Prices of various other livestock products like dairy products also declined slightly. Wool prices, however, showed an encouraging increase of 3.4 per cent on 1967/68.

### PRICES OF FARMING REQUISITES

During 1968/69 prices of farming requisites increased by about 1 per cent. Prices of machinery and implements were 2.9 per cent higher. Tractors and implements cost respectively about 1.5 and 2 per cent more. Building and fencing materials increased in price by about 0.6 per cent. Short-term requirements showed a slight decrease in prices, mainly as a result of a decline in the prices of packing materials. Transport costs are, however, 4.5 per cent higher than during 1967/68. Fertilizer and fuel prices were more or less unchanged.

### EXPORTS

The total f.o.b. value of South African exports (excluding gold bullion) amounted to R1 245 million in 1967 and R1,389 million in 1968. This represents an increase of about 12 per cent. Agricultural exports accounted for R509 million or about 36.7 per cent of the total. The value of agricultural exports exceeded that of 1967 by R58 million. This increase is largely due to an increase in the volume exported.

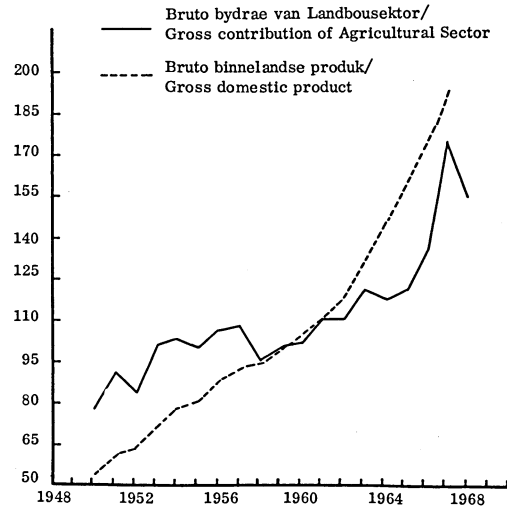
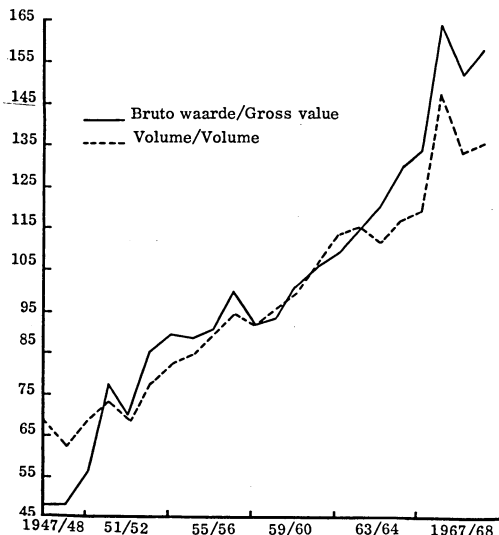
### CAPITAL FORMATION

Expenditure on agricultural machinery and implements amounted to R91 million during 1968/69 and was about R4 million less than during 1967/68. The amount spent during 1967/68 was however relatively high. Investment in capital goods was stimulated by a high income during that year. Investment in fixed improvements during 1968/69 was also lower than during the previous year.

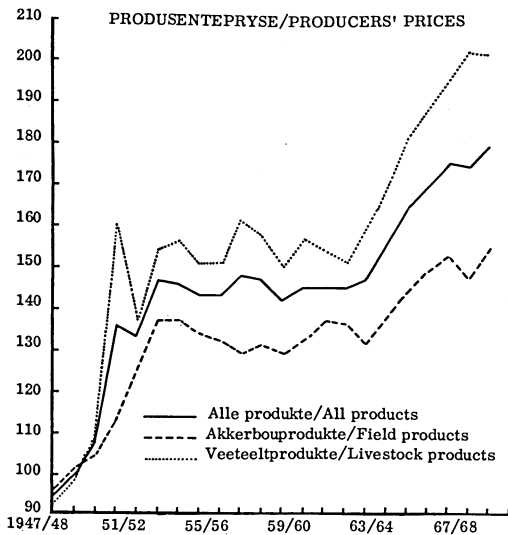
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ECONOMIC TENDENCIES IN THE SOUTH AFRICAN AGRICULTURE

INDEKSE VAN PRODUKSIE EN PRYSE VAN LANDBOU- EN VERWANTE PRODUKTE/  
INDEXES OF PRODUCTION AND PRICES OF AGRICULTURAL AND RELATED PRODUCTS  
1947/48 - 1968/69

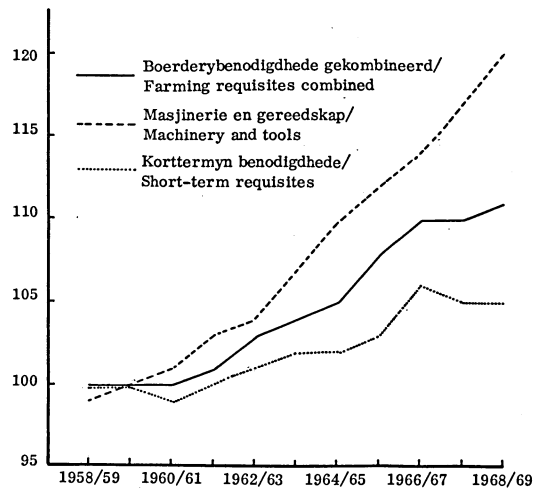
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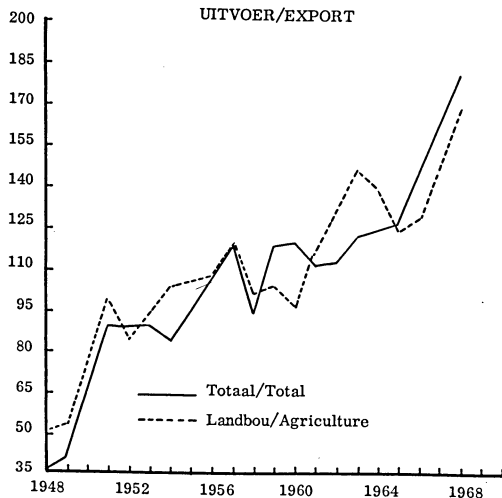
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PRYSE (PRODUKSIEMIDDELE ENS.)  
PRICES (MEANS OF PRODUCTION ETC.)



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ANNUAL CAPITAL FORMATION

