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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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Trends in the Agricultural sector

General review

With the exception of a few branches of farming, the financial position of agriculture during the past year compares favourably with that of previous years. The net farm income for 1969 is estimated at R625 million, compared with R548 million and R665 million for 1968 and 1967, respectively. This is 14 per cent higher than in 1968, while it is only R40 million less than in 1967 when record crops were harvested. Viewed over the short term, the net income realised during the last quarter of 1969 was appreciably higher than during the corresponding quarters of the previous two years.

The high level of farm income in 1969 is ascribed to larger physical quantities produced, as well as to price increases in the case of some products. Summer cereal crops were generally disappointing as a result of adverse climatic conditions during the growth period. On the other hand prices thereof increased. Livestock products increased considerably in volume, while prices remained stable for some products and declined for others. Prices of most horticultural products also improved compared with those of the previous year, with an increase in quantities offered for sale in some cases.

Good rains occurred in the most important crop areas for summer cereals during the second half of 1969, as well as early in 1970 with resultant good prospects. Serious drought conditions have been experienced for some considerable time in the Karoo and particularly in some parts of the Eastern Cape region. Droughts are also prevalent in the major part of the Western Cape resulting in poor wheat yields whilst horticultural production naturally also suffered rather badly. In the northern summer rainfall areas conditions are, on the whole, favourable for stock farming while the contrary is true in the case of most areas in the Cape Province.

Exports of agricultural products were maintained at a reasonable level during the past year. A characteristic of the export market was the good prices realised in the case of fruit whereas prices for wool declined.

Total estimated expenditure on intermediate goods reached the record amount of R358 million during 1969, compared with R340 and R330 million during the preceding two years. The larger investment was mainly due to larger physical quantities purchased while price increases were less in evidence. The combined consumer price index for food shows slight changes for the second half of 1969 compared with the corresponding period in 1968, but nevertheless tends to be higher, mainly on account of increases in the prices of grain products, meat as well as sugar and related products.

GROSS INCOME

The cash income of farmers in 1969 plus the value of agricultural products consumed on farms, was estimated at R1 234 million, or 8 per cent higher than the previous year. The quarterly figures for the past three years were as follows:

	Gross income of farmers 1967-1969		
	1967	1968	1969
	R million		
January/March	204	231	247
April/June	309	269	299
July/September	460	342	372
October/December	286	304	316
Total	1 258	1 146	1 234

With the exception of a few commodities, of which sugar is the most important, the value of most agricultural products shows increases compared with the previous year. Noteworthy increases occurred in the case of livestock where considerably more pigs and sheep were slaughtered, as well as in the case of vegetables where higher producers' prices of some made a substantial contribution. Higher maize prices brought increased incomes from summer cereals, while the larger groundnut and tobacco crops had a similar effect. Better export realisations in the case of deciduous fruit and citrus also contributed towards the higher value of agricultural production. The last three record crops also caused a sharp rise in the gross income from winter cereals.

EXPENDITURE ON INTERMEDIATE GOODS

The expenditure on intermediate goods increased further during the year and is estimated at R358 million for 1969 which is about 5 per cent higher than in 1968. The quarterly expenditure for recent years was as follows:

	1967	1968	1969
	R million		
	January/March	72	80
April/June	75	74	79
July/September	90	90	93
October/December	93	96	103
Total	330	340	358

Of the total expenditure on intermediate goods during 1969, approximately R72 and R70 million were spent on fertilizers and stock-feed respectively - in both cases an increase of about 6 per cent which is mainly due to greater volumes purchased. In the case of dipping and spraying materials, R2.7 million more was spent than during the previous year, while repairs and maintenance costs of machinery and implements increased by about R2.5 million.

AGRICULTURE'S CONTRIBUTION TO THE GROSS DOMESTIC PRODUCT

The contribution by agriculture to the gross domestic product was R955, R847 and R927 million respectively for the three years 1967, 1968 and 1969. The past year's contribution is the second highest to date and is only exceeded by that of 1967.

CAPITAL INVESTMENT

Capital investment in agriculture on January 1, 1970 is estimated at R6 665 million. For the past three years the annual additional investment in various types of capital goods compare as follows:

	1967	1968	1969
	R million		
Fixed improvements	52.5	52.7	52.8
Machinery, implements and vehicles	89.1	93.0	95.0
Livestock	12.6	21.3	24.2

Gross capital formation in respect of fixed improvements on farms was maintained at a relatively high level during the past three years, although the annual increase was only slight. On the other hand, the annual additional investment in machinery implements and vehicles increased relatively fast. Stock numbers increased rapidly after the drought period, which extended from the early to the mid sixties.

PRODUCERS' PRICES

The index of producers' prices of agricultural products for the past three years and recent months was as follows:

Producers' price index (1947/48 to 1949/50=100)

Period	Field crops	Pastoral products	Dairy products	Slaughter stocks	Vegetables	Combined (excluding horticulture)
1966/67	153	120	173	275	165	175
1967/68*	147	117	171	297	149	176
1968/69*	155	124	170	293	172	179
1969*						
July	158	125	172	280	142	179
August	158	125	172	272	119	176
September	159	121	172	281	132	178
October	158	117	170	294	191	180
November	157	116	167	303	203	181
December	156	112	167	305	233	180

*Preliminary

The combined index of producers' prices (excluding horticulture) has gradually increased during the years and months concerned. Producers' prices for slaughter stock varied, but at the end of December 1969 it was on an exceptionally high level. On the other hand producers' prices for dairy products were at a relatively low level at the end of December, due to the impact of winter premiums although basic prices remained unchanged. Prices obtained for pastoral products during 1968/69 recovered after the drop in 1967/68, but again declined sharply during the past season. As usual vegetable prices varied considerably, but were at a relatively high level at the end of December.

PRICES OF FARM REQUISITES

Prices of farm requisites for the past few years and for the latest quarters are as follows:

Price index of farm requisites
(1958 to 1961 = 100)

Period	Machinery and tools	Materials for fixed improvements	Short term requisites	Combined
1967	116	115	105	110
1968	118	116	105	110
1969	122	118	105	112
1968				
Jan./March	117.4	115.8	104.7	110.0
April/June	118.1	116.2	104.4	110.1
July/Sept.	118.7	115.8	104.7	110.4
Oct./December	118.9	116.1	104.8	110.5
1969				
Jan./March	121.0	116.3	104.2	110.9
April/June	122.4	116.9	104.6	111.6
July/Sept.	123.3	117.9	106.1	112.8
Oct./December	124.4	119.4	106.1	113.4

Up till the end of 1968 the combined price index for farm requisites rose relatively slowly, during 1969 it moved upward at a slightly faster rate. Prices of short term requisites as well as those of materials for fixed improvement showed a marked rise during the second half of 1969. The price index of machinery and tools however showed a more gradual rising tendency from the beginning of 1969. Viewed over the short term, the price index of trucks showed an upward trend during the third and fourth quarter of 1969. Prices of tractors, fertilizer and stock-feed also remained relatively constant, while those of fencing material declined slightly.

Consumer price index of food (October 1958 = 100)

Period	Grain products	Meat	Milk, milk products and eggs	Vegetables	Fruit	Sugar and allied products	Total food
<u>1968</u>							
July	117.7	139.0	125.5	122.5	137.5	147.0	127.7
August	117.8	138.7	124.3	122.7	134.4	147.1	127.2
September	117.6	138.7	122.5	124.6	137.5	147.0	127.3
October	117.7	139.9	122.2	116.8	139.9	147.1	126.7
November	120.8	139.7	122.2	125.3	145.0	147.3	128.5
December	121.1	141.0	122.1	118.5	153.0	147.5	128.7
<u>1969</u>							
July	122.8	140.9	122.6	111.1	132.3	148.3	127.1
August	122.9	140.3	120.6	107.8	129.9	148.2	126.0
September	123.0	140.6	121.9	109.8	138.7	148.5	127.2
October	123.0	140.6	122.1	116.1	144.4	148.7	128.5
November	123.2	140.7	122.5	114.8	149.1	148.9	128.9
December	123.5	141.0	122.6	121.2	153.5	148.9	130.0
<u>1970</u>							
January	123.5	141.9	122.7	122.8	147.4	149.0	130.1

CONSUMER PRICES OF FOOD

The monthly price index of the more important food items for the second half of 1968 and 1969 appear in the table above:

The combined consumer price index of food indicates slight increases during the latter part of 1969 as compared with 1968. Consumer prices of meat and grain products rose during this period. The price paid by the consumer for milk, milk products and eggs during the second half of 1969 differed little from that of 1968, but he had to pay more for fruit, sugar and sugar products, and generally less for vegetables.

CONSUMER EXPENDITURE ON FOOD

As is clear from the following table the total expenditure on food during 1969 amounted to R1 765 million, which is approximately 5 per cent higher than in 1968:

Year	January to March	April to June	July to September	October to December	Total
	R million				
1966	353	377	387	391	1 508
1967	386	395	389	392	1 562
1968	401	426	426	436	1 689
1969	416	442	450	457	1 765

The per caput consumption of food has remained fairly constant during the past few years and the increase in expenditure on food is thus mainly attributable to the growth in population and the higher prices of food.

Branches of industry

FIELD CROPS

SUMMARY

In the field crop areas of the summer rainfall region, weather conditions were generally unfavourable during the previous summer. The good rains during late summer and autumn came too late to be of much benefit to the summer crops with the result that the 1969 crops were generally disappointing. The late rains were, however, very conducive to the cultivation of winter cereals and a larger area was planted to wheat in the summer rainfall region. Moreover, the good rains in spring contributed to the fact that a record wheat crop was produced in these parts. The winter rainfall area, was, however, stricken by severe droughts and grain crops were particularly poor.

Planting conditions in the main crop areas were, on the whole, favourable for the 1970 summer crops. The contrary is, however, true in respect of the more marginal western crop areas. No marked expansion in the area planted to summer crops took place. In the case of maize for example, a decrease of five per cent was recorded. No official estimates have as yet been made of the 1970 crops. The indications are, however, that good crops will be harvested. In some areas standing crops at this stage, are as promising as those of 1967, when record crops were harvested.

MAIZE

The latest estimate of the 1969 maize crop by the Division of Agricultural Marketing Research is 54.6 million bags, being 100 000 bags in excess of the seventh crop estimate and 4 million bags below the 1968 crop.

According to the Board's latest estimate, gross domestic consumption of maize during the 1969/70 season will amount to 52.02 million bags (35 million white and 17.02 million yellow maize) compared with the 1968/69 record of 55.59 million bags. The Board's deliveries of maize for domestic consumption for 1969/70 season are estimated at the record figure of 45.3 million bags (29.6 million white and 15.7 million yellow), whereas in the previous season this figure was 43.8 million.

The Board estimates that 5.62 million bags of maize and maize products will be exported in 1969/70 compared with 28.94 million bags exported in 1968/69.

It is estimated that 10.72 million bags of maize (7.06 million white and 3.66 million yellow) will be in stock on April 30, 1970, which will practically be equal to the normal carry-over of 10 million bags.

At present the 1970 crop still looks fairly promising. Widespread rains in practically all the maize producing areas immediately before or during planting time brought about an adequate moisture supply in the soil for the planting of the crop in most areas. During the critical phase in the development of the crop, namely January, 1970, reports of good rains were received from the production areas.

The first official estimate of the 1970 crop by the Division of Agricultural Marketing Research will be made available at the beginning of March, 1970. The estimate of area seeded to maize however shows a decline of 5 per cent on farms owned by Whites compared with the previous season. This decline occurred mainly in the marginal crop areas.

KAFFIRCORN

The final estimate of the 1969 crop by the Division of Agricultural Marketing Research is 2.56 million bags, which is 0.23 million bags in excess of the first official crop estimate and 0.28 million bags in excess of the previous year's crop. The kaffircorn crop on White farms is placed at 2.2 million bags, which is about 80 000 bags above that of last year, while the crop in Bantu areas is estimated at 360 000 bags, or approximately 200 000 bags more than the previous crop.

The Board estimates that commercial domestic consumption, including physical losses, will total 1.92 million bags in 1969/70, that is 890 000 bags less than the 1968/69 figure. This sharp drop in the commercial domestic consumption of kaffircorn mainly resulted from the fact that the scheme under which kaffircorn was supplied at reduced prices to farm feed manufacturers for substituting yellow maize in feed mixtures, was not continued in 1969/70 on account of the relatively small kaffircorn crop. In 1968/69 a total of 702 000 bags of kaffircorn was mixed into balanced animal rations under the above scheme.

The Board does not expect to export any kaffircorn in 1969/70, but it is estimated that the trade will export 85 000 bags of kaffircorn products until April 30, 1970.

Kaffircorn stocks as at April 30, 1970, are estimated at some 259 000 bags which will mainly be in the hands of the trade.

As in the case of maize, widespread rains in most of the kaffircorn producing areas gave rise to favourable conditions for the planting and development of the 1970 crop, and at present the crop looks promising. The first official estimate of the 1970 kaffircorn crop will be made available by the Division of Agricultural Marketing Research early in March, 1970.

BUCKWHEAT

About 252 000 bags (units of 70 kg) of buckwheat have thus far been delivered to the Board's agents under the pool scheme. As the local consumption of buckwheat is very limited, the major part of the stocks had to be exported.

At a meeting held during June 1969, the producers' representatives on the Buckwheat Advisory Committee made representations that the Board should endeavour to export or sell locally the buckwheat received from producers, at a price not lower than R3 per bag. At that stage the Board had already sold 406 metric tons of buckwheat on tender for export at 272.58 cents per bag.

During the succeeding weeks, however, prices dropped further since the supply on the overseas market exceeded the limited demand. As a result it was resolved during August that efforts would be made to sell at a price not lower than 250 cents per bag. Prices, however, continued to show a declining trend and towards the end of January 1970, the Board had sold about 9 906 metric tons of buckwheat at an average price of 205.5 cents per bag. From the middle of January tender prices improved slightly.

The Board has also investigated the possibility to market buckwheat locally for human and animal consumption, but thus far the results have been disappointing.

According to information obtained from producers during the last week of January 1970, the Division of Agricultural Marketing Research estimates the 1969/70 buckwheat crop at 40 000 bags, compared with 310 000 bags in the previous year.

WHEAT

(i) Production

For the third consecutive year a record wheat crop was harvested, namely 12 million bags in 1967/68, 14 million bags in 1968/69 and 14.8 million bags in 1969/70.

On account of drought conditions the latest crop in the Western Cape was 2.2 million bags less than that of the previous year. In the Free State and Transvaal production increased markedly to 8.5 and 1.8 million bags respectively. Weather conditions in the summer rainfall area were favourable for wheat production. Other reasons for this increase were larger plantings on dry land, and under irrigation - where wheat at present tends to replace other crops - as well as the planting of improved cultivars.

(ii) Consumption and imports

In 1968/69 the gross consumption of wheat was estimated at 13.9 million bags - 425 000 bags more than the previous season. Due to the steady increasing production, no need existed to import wheat during the past three years. The last imports were effected in the 1966/67 season when 7.2 million bags were imported at an average landed cost of R5.60 per bag.

(iii) Prices

Producers' price for wheat in respect of the two latest crops remained unchanged at R6.43 per bag for class B grade 1. The price for the 1970/71 season will be considered in the near future.

GROUNDNUTS

Production

The total receipts by agents of the Board, on a shelled basis, came to 235 000 metric tons in 1969/70 as against 152 400 metric tons the previous season. This increase was due to favourable weather conditions. The quality of the groundnuts was considerably better than that of the preceding year. Thus the receipts of shelled groundnuts, grade S1, increased by over 40 per cent on the previous season and in the case of unshelled groundnuts, the percentage increase in this particular grade was over 75 per cent. There was a marked increase in the percentage of groundnuts delivered by producers in the unshelled state.

Disposal of the 1969/70 groundnut crop

Approximately 145 000 metric tons in respect of the 1969/70 production were sold at fixed domestic prices. This figure does not include the 20 400 metric tons sold to processors at parity prices on condition that the oil be exported. An estimated 33 600 metric tons are being exported in the form of edible nuts. The remainder of the crop, excluding 7 250 metric tons unsold, was exported as nuts for crushing. On the whole, the export prices compare favourable with those of the previous year and it may be expected that the average realisation per ton will be virtually the same as the previous year.

SUNFLOWER SEED

Production

The production of sunflower seed increased from 80 700 metric tons in the 1968/69 season to 88 900 metric tons during the 1969/70 season. The increase may be attributed to favourable weather conditions and not necessarily to larger plantings. During the 1969/70 season the production of the sunflower seed type with a high oil content was much larger than during the previous year. Whereas this type accounted for 2.1 per cent of the total crop in the preceding year, it rose to 29.4 per cent during 1969/70. The quality of the sunflower seed was also higher.

Disposal of the 1969/70 season's crop of sunflower seed

The total crop was marketed locally at fixed selling prices.

Prospects for the 1970/71 crop

Groundnuts. - There has been a considerable increase in plantings compared with the preceding two years. Provided climatic conditions are reasonably favourable later in the season, it is generally expected that the 1967/68 season's record crop of 286 700 metric tons will be surpassed.

Sunflower seed. - It is anticipated that the crop will be about the same as during 1969/70.

DRY BEANS

The commercial dry bean crop for 1969, based on returns of quantities marketed up to the end of December, 1969, is estimated at 536 000 bags (48 617 metric tons). With the exception of kidney beans, in respect of which it was necessary to support producers prices by introducing a floor price, all controlled dry beans were in short supply and prices relatively high. The Dry Bean Control Board purchased 85 000 bags kidney beans at floor prices of which approximately 72 000 bags are still on hand.

It is estimated that plantings for the 1970 crop have increased - sugar beans by 18 per cent, yellow haricot by 50 per cent and small white beans by 25 per cent. All other kinds were planted on approximately the same scale as in the previous season. Hitherto weather conditions have been fairly favourable and a considerably larger crop than last year is at present envisaged.

TOBACCO

1. Production

The 1969 tobacco crop is expected to be approximately 37.8 million kg, which is nearly 340 000 kg less than the previous year's record crop. Initially the 1970 crop was very promising, but according to the latest reports, it would appear that in certain areas crops were adversely affected by inter alia hailstorms, drought and

scorching heat. A fairly accurate estimate of the forthcoming crop is therefore not possible at this stage, and the indication given of the size of the crop in the following table should consequently be regarded as very preliminary. According to the receipts of agents of the Tobacco Board, production of the different classes of tobacco during the under-mentioned years (April/March) were as follows:

Class	1967/	1968/	1969/	1970/
	68	69	70*	71*
	'000 000 kg			
Flue-cured	10.8	21.3	21.0	19.8
Air-cured: Light	4.2	3.9	4.1	3.5
Dark	10.6	10.6	10.2	9.7
Burley	1.0	1.4	1.7	0.8
Turkish	0.6	0.9	0.8	0.7
Total	27.2	38.1	37.8	34.5

*Preliminary

2. Consumption

During 1969 the domestic consumption of leaf tobacco increased by approximately one million kg to a total of 28.3 million kg. An increase in consumption is also expected during 1970, although at a slightly slower rate. The consumption of leaf tobacco during the past few years, according to final products was as follows:

Product	1967	1968	1969*	1970*
	'000 000 kg			
Cigarettes	13.1	14.0	15.1	15.4
Pipe tobacco	10.6	11.7	11.5	11.5
Snuff	1.3	1.3	1.5	1.5
Roll tobacco	0.2	0.3	0.2	0.2
Cigarillos	-	-	-	-
Total	25.2	27.3	28.3	28.7

*Preliminary

3. Exports

The export of leaf tobacco again increased during the previous season. Apart from stocks being available, this increase can be attributed to the fact that overseas manufacturers have already established the usage of South African tobacco in their blends and, in contrast to purchases at auctions, they are assured of a stabilised purchase price. During the past decade the export price of South African tobacco increased by approximately 26 per cent. The following quantities were exported during the past few seasons:

Grade	1967/68	1968/69	1969/70
	'000 000 kg		
Flue-cured	7.5	9.1	11.3
Air-cured: Light	1.5	1.4	1.6
Dark	-	0.2	0.2
Total	9.0	10.7	13.1

4. Stocks

Stocks of leaf tobacco on 30 November 1969 amounted to approximately 32 million kg, this being somewhat lower than the stocks available on the same date the previous year.

COTTON

The 1969 cotton crop for the Republic (including Swaziland and Botswana) is estimated at 107 000 bales of 227 kg each which exceeds the previous record crop by 24 000 bales.

Based on the amount of seed planted and the prevailing growing conditions, the 1970 crop is estimated at approximately 80 000 bales.

LUCERNE HAY

Production and marketing

Since the supply of lucerne hay during the second half of 1969 was insufficient to meet the demand, virtually all the lucerne was marketed locally. During the last five months of 1969 the agricultural co-operatives marketed approximately 110 700 metric tons of lucerne hay of which approximately only 200 tons were exported.

Prices

The maximum price for all grades of lucerne hay was increased from October 1969, by 5 cents per 45 kg and the price of lucerne meal by 10 cents per 45 kg. The maximum price of lucerne hay now varies from 95 to 115 cents per 45 kg and that of first-grade lucerne meal between R1.52¹/₂ and R1.62¹/₂, depending on the size of purchases. In addition sellers are allowed to add railage to their prices and, during the months of April to September, a winter premium which increases from 3 cents in April to 15 cents per 45 kg during July/September, may also be added to compensate sellers for storage costs.

Prospects

Owing to the severe droughts prevailing in certain regions of the country and the consequent strong demand for lucerne hay, the gap between demand and supply is steadily growing wider and the shortage of lucerne hay will probably be aggravated during the coming winter months.

CHICORY

1. Production and consumption

It is estimated that the 1969/70 chicory crop will supply in only about 90 per cent of the local requirements. A world shortage of chicory is at present being experienced and sufficient supplies to augment the existing local shortage could, therefore, not be obtained from Europe. The Chicory Board accordingly decided to place fine chicory, normally a by-product, at the disposal of coffee manufacturers and also to allow them to import limited quantities of roast chicory from Europe.

2. Prices

Selling prices for first and second grade dried root for the 1969/70 season have been raised by respectively 60c and 73c per 45 kg and selling prices are now:

	per 45 kg R
First grade dried root	5.60
Second grade dried root	4.60

These higher selling prices will result in increased payments to producers and this should provide an incentive for larger production.

3. Prospects

With weather conditions favourable, plantings for the 1970/71 crop should commence towards the end of February, 1970. A larger acreage under chicory than the past years is anticipated with a possibility of thus maintaining a better relationship between production and demand.

SUGAR

1. Production

The South African production of sugar has decreased from 1 822 268 metric tons for the 1967/68 season (May/April) to 1 505 383 tons in the 1968/69 season - a decrease of 316 885 tons, i.e. 17 per cent. During the first eight months of the 1969/70 season, 1 379 042 tons of sugar were produced, which is 26 816 tons lower than the production for the corresponding period of the 1968/69 season. The lower production is the result of drought conditions experienced in the area since the 1965/66 season.

2. Sales

The local sales of sugar amounted to 790 660 tons during 1969, which is five per cent higher than the sales during 1968.

3. Exports

The export of sugar has decreased considerably during 1969 when 649 036 tons were exported in comparison with 979 588 tons in 1968. It has been decided to reduce South Africa's quota of 625 000 tons in terms of the International Sugar Agreement of 1968, by 10 per cent for the 1969/70 season in an endeavour to obtain a higher average realisation. The indications are that the crop will not be big enough to fully utilize even this reduced quota.

HORTICULTURE

SUMMARY

The volume of horticultural production increased by about 2 per cent during 1969 compared with an average growth of about 5 per cent over the past decade.

The production increased markedly during the past few years and a further expansion is expected in the future. The production of citrus fruit shows a slight increase, that of subtropical fruit has declined, whilst vegetables maintained more or less the same level as the previous year.

Severe drought conditions were experienced over the entire Western Cape Province over the last months, which not only affected the present crop detrimentally but also caused great damage to orchards and vineyards.

Prospects for citrus production for the country as a whole at present appear to be favourable, particularly in the Transvaal areas. Some areas in the Cape Province, however, have been particularly hard hit by drought especially the Lower Sunday River Valley.

Prices realized on local markets for horticultural products during the past season were on the whole much higher than in 1968 and likewise for export realisations for deciduous and citrus fruit.

CITRUS FRUIT

1. Exports

At the beginning of the 1969 season a strong demand existed for citrus fruit in Europe which could not be fully satisfied as a result of the Southampton dock-strike and other labour problems. Exceptional high prices were consequently obtained. Towards the end of the season the contrary was true due to the strong competition experienced from deciduous fruit. Under these circumstances it was not possible to make up the earlier backlog in quantities exported, caused by the dock-strike. As may be deduced from the 1968 and 1969 shipments in the following table, the total volume of citrus fruit exported declined slightly.

Variety	1968	1969	1969 1968
	units of 16 kg		
Oranges	18 390 576	16 030 074	87
Grape-fruit	3 246 842	3 794 391	117
Lemons	268 917	421 297	157
Naartjes	8 678	2 155	25
Total	21 915 013	20 247 917	92

Variety	Quantity sold			Average price		
	1968	1969	$\frac{1969}{1968}$	1968	1969	$\frac{1969}{1968}$
	pockets		%	c per pocket		%
Oranges	5 592 527	5 922 379	106	53	60	113
Grapefruit	267 329	304 380	114	59	72	122
Lemons	248 466	265 979	107	67	77	115
Total	6 108 322	6 492 738	106	54	61	113

Gross prices obtained in 1969 for all citrus fruit were, on the whole, considerably higher as a result of which the net realisations to producers improved considerably, namely from 112c per unit in 1968 to approximately 147c in 1969 for all citrus. For oranges the corresponding prices amounted to 117c and 147c per unit, while the prices of grapefruit reflected a sharp increase from 76c in 1968 to approximately 162c per unit in 1969.

2. Local sales

(a) For the fresh fruit market. - The total sales of citrus on the fresh produce markets in 1969 showed an improvement in respect of prices as well as quantities as against 1968. The quantities sold and prices realised for 1968 and 1969 compare as indicated in the table above.

(b) To factories. - On the local market the public showed an increasing interest in pure citrus juices with the result that the quantities taken in by factories for this purpose increased slightly. An increasing number of outlets for pure single strength juices has been found, especially at dairies. The Citrus promotion and advertising campaign has been intensified and will reach a climax towards the end of the off-season period for fresh fruit with the joint promotion campaign of the Wool and Citrus Boards during the Rand Easter Show.

The total sales to factories for 1968 and 1969, respectively, compare as follows:

Variety	1968	1969	$\frac{1969}{1968}$
	pockets		%
Oranges	7 681 116	7 288 171	95
Grape-fruit	2 073 976	2 677 643	129
Lemons	373 414	455 643	122
Total	10 128 506	10 421 457	103

DECIDUOUS FRUIT

The exports of deciduous fruit have more than doubled during the past decade. The largest increase by far was caused by apples which were responsible for 90 per cent of the total increase, while pears accounted for the balance. Particulars of the quantities exported by and

under the control of the Deciduous Fruit Board are as follows:

Variety	1958/59	1968/69	Percentage increase
	Metric tons		
Apples	32 506	123 053	279
Pears	22 039	32 469	47
Grapes	29 303	29 345	0
Plums	2 521	2 425	- 4
Peaches	1 274	1 281	1
Apricots	758	261	-66
Total	88 411	188 827	114

Apple and pear trees planted since 1964 will result in a further increase in production and according to estimates of the Deciduous Fruit Board there will be approximately 184 000 metric tons of apples and 58 000 metric tons of pears available for export by 1978. The number of table-grape vines has decreased somewhat since 1964 but as a result of improved cultivation practices, production is expected to increase to nearly 36 000 metric tons by 1978.

During the past decade the Board managed to maintain a relatively high level of return for exports in spite of the considerably large volume of fruit handled during that time. Average payments to producers in respect of export fruit in 1958/59 and 1968/69 are as follows:

Variety	Boxes	1958/59	1967/68	1968/69
		R	R	R
Apples	Cartons (+18.1 kg)	2.13	2.00	3.11
Pears	Boxes (+18.1 kg)	1.92	2.10	2.49
Grapes	Boxes (+4.5 kg)	1.09	1.15	1.35
Plums	S/L Trays	1.22		1.64
	D/L Trays	1.52	2.10	2.47
Peaches	S/L Trays	0.82	0.75	0.91
Apricots	S/L Trays	0.96	1.45	1.52

When pool payments for 1968/69 are compared with those of the previous season, it is important to note that the payments for apples increased by R1.05 per case. This improvement is indeed encouraging in view of the strong competition experienced in the export market for apples from

rivals in Europe, Argentine, New Zealand and Australia. In view of the expected increase in export apples as well as the expected increased production of its competitors, severe competition may be expected in the future.

During the first three months of the current season (November 1969 to January 1970) 6 055 metric tons of deciduous fruit were exported by and under control of the Deciduous Fruit Board, compared with 6 753 tons during the corresponding period of the previous season. The details of the different kinds of fruit compare as follows:

Variety	November 1968 to January 1969	November 1969 to January 1970*
	'000 metric tons	
Appels	303	296
Apricots	261	142
Peaches	1 210	1 089
Plums	1 717	1 540
Pears	2 226	1 759
Grapes	1 036	1 229
Total	6 753	6 055

*Preliminary

BANANAS

Production

The production of bananas, which showed a gradual increase during the first four pools of 1969/70 began to rise sharply during the fifth and sixth pools. For a considerable time now Mozambique also offers quantities equivalent to the maximum quota which they, by agreement, may market in the Republic.

The indications are that there will not be a significant decrease in production during the second half of 1969/70 and that the Board will market a record quantity of bananas this year.

The following table shows receipts by the Board for the first six pools of 1969/70 in comparison with the total quantities marketed during the years 1967/68 and 1968/69:

	Quantities marketed (45 kg units)		
	1967/68	1968/69	1969/70 (Only pools 1-6)
Republic	815 131	698 770	526 086
Mozambique	57 696	157 864	146 774
	872 827	856 634	672 860

Retail prices

During the first three pools of 1969/70 consumers' prices in the Rand complex were still 22c per kg. As a result of the increase in production, the price to consumers was subsequently reduced to 18c per kg. In more distant centres the price was about 2c per kg higher in view of the higher transport costs to these centres. From 19 January, 1970, the consumers' price was reduced by a further 2c per kg and this has stimulated demand considerably.

Nett payments

In spite of the decrease in the consumers' price, the net payments to producers still compare favourably with those of previous years as is shown in the following table:

Weighted average payments to producers in R per 45 kg		
1967/68	1968/69	1969/70 (Only pools 1-6)
3.98	4.31	3.41

Imports

As a result of the high domestic production no supplementary imports of bananas were necessary over and above those from Southern Mozambique, and the indications are that local production, supplemented by the traditional imports from Mozambique, will for a considerable time be sufficient to satisfy demand at existing prices.

DRIED FRUIT

(1) Production

A record crop was harvested during the 1968/69 season. The production of sultanas, prunes, pears and apples increased sharply. The quantity of dried fruit marketed by the Dried Fruit Board and the South African Dried Fruit Co-operative appears hereunder and gives an indication of the production trends.

	1967/68	1968/69	1968/69 1967/68
	Metric tons		%
<u>Marketed by Dried Fruit Board</u>			
Sultanas	10 361	15 333	148
Raisins	1 292	1 442	112
Currants	651	651	100
Prunes	962	2 377	247
<u>Marketed by Dried Fruit Co-operative</u>			
Peaches	1 818	1 622	89
Apricots	998	1 123	113
Pears	904	1 280	142
Apples	141	182	129
Other	284	250	88

An important factor in dried fruit production is the competitive prices paid for both fresh and canned fruits. This makes production estimates difficult. The latest indications are, however, that the production of the fruit varieties handled by the Dried Fruit Board will not reach the same level as last year. As far as the other varieties of fruit are concerned, hail caused damage in certain production areas and it is therefore expected that large quantities of these varieties will therefore be dried this year.

(2) Marketing

The marketing of the 1969 crop has practically been completed, except for stocks of 218 metric tons of prunes. The production of sultanas is considerably higher than the local demand and consequently more than 9 980 metric tons, or approximately 70 per cent of the crop, was exported, mainly to the United Kingdom and Canada. The raisin crop was sufficient to meet domestic requirements, but in the case of currants, 203 metric tons had to be imported to augment local supplies. There is a limited domestic demand for pears and difficulties were experienced in marketing the larger crop.

(3) Prices

The table below gives an indication of the price trends for dried fruit:

Product	1968	1969	1970
	c per kg		
a) <u>Advance payments to producers; average for all grades according to a constant quality crop</u>			
O. R. sultanas	13.83	13.83	*
W. P. sultanas	13.08	13.08	*
Thompson seedless sultanas	13.17	13.17	*
Bleached sultanas	15.05	15.05	*
Raisins	15.81	15.65	19.56
Currants	22.34	23.44	24.35
Prunes	21.67	21.67	21.67
b) <u>Selling price of packers; average for all grades according to a constant quality crop</u>			
O. R. sultanas	29.21	30.32	*
W. P. sultanas	29.37	30.47	*
Thompson seedless sultanas	29.52	30.62	*
Bleached sultanas	33.16	34.26	*
Raisins	30.18	30.18	33.20
Currants	30.10	38.10	38.10
Prunes	45.24	45.24	45.54

* Prices still under consideration

VITICULTURE

1. Production

The 1968 wine crop amounted to 755 657 metric tons of grapes*, whereas the crop for 1969, according to production returns by producers, was 757 033 tons of which 666 635 tons were used for wine-making purposes.

The indications are that the 1970 crop will be slightly smaller, mainly as a result of severe drought conditions in the entire Western Cape and particularly in the Montagu/Ladismith areas. Frost damage occurred in certain areas, as well as vineyard diseases, scorching and wind damage.

The estimated surplus of the 1970 distilling wine vintage was determined at 20 per cent, as against 24 per cent for 1969.

2. Prices

The minimum price to be paid in 1970 by wine merchants in respect of wine for distilling purposes, remains unchanged at R40.64 per leaguer of 20 per cent standard strength. It is estimated that the trade will buy only 80 per cent of the distilling wine vintage, and that producers will receive an average advance payment of R32 512 per leaguer of 20 per cent standard strength for their entire distilling wine crop - this represents an increase of approximately R1.63 per leaguer on the 1969 price.

The K.W.V. also recommended to the Minister of Agriculture that the minimum price for good wine sold by producers to wine merchants, should remain the same as in 1969, viz. R50.00 per leaguer of 20 per cent standard strength.

3. Consumption

It is expected that the demand for natural good wine on the local market will maintain the rising trend of the previous year. The market for fortified wines and brandy, which has virtually remained at a constant level for a number of years, is expected to increase slightly if at all, during 1970.

4. Exports

Exports of wine to the United Kingdom decreased during 1969, mainly as a result of the high customs duties levied on imported wines and the commercial conditions in that country. The export of wine and brandy to other overseas markets, particularly Canada, increased. Whilst it is possible that exports to the United Kingdom may reflect a further decline during 1970, exports to other overseas markets are expected to change for the better.

* (0.9072 metric tons of grapes approximately one leaguer of wine.)

VEGETABLES

(a) Sales on the fresh produce markets

A total of 752 844 metric tons of vegetables, including potatoes, were sold on the nine major fresh produce markets during 1968/69 (July 1968 to June 1969) compared with 769 235 metric tons in 1967/68 representing a decrease of 2.1 per cent. The total value of the 1968/69 sales amounted to R44.9 million as against R37.9 million in 1967/68, which is an increase of 18.5 per cent.

Table 1 shows the total quantities sold on these markets and the value realised per ton for some of the more important vegetables. A comparison is made between the months from July to December for the years 1968 and 1969. More potatoes, tomatoes, onions and green beans were sold during the 1969 months than during the same months in 1968. However, the average value per metric ton was lower. A smaller tonnage of cabbages were sold in 1969 and the price realised per metric ton was also lower, compared with the previous year.

TABLE 1 - Sales of some of the more important vegetables on the nine major fresh produce markets during the months July to December 1968 and 1969

Year and month	Quantity in metric tons				Average value per metric ton			
	Potatoes	Tomatoes	Cabbage	Onions	Potatoes	Tomatoes	Cabbage	Onions
July						R	R	R
1968	33 879	12 137	9 932	4 871	52	69	25	67
1969	33 041	12 642	7 988	5 566	55	67	26	51
Aug.								
1968	25 168	7 955	8 740	3 918	61	91	20	69
1969	28 776	10 976	8 013	4 506	53	54	17	63
Sept.								
1968	27 998	6 973	7 854	4 022	62	130	20	61
1969	34 591	14 371	8 721	6 312	57	62	16	53
Oct.								
1968	36 252	11 448	8 067	5 558	60	87	24	43
1969	29 276	10 049	6 810	4 793	62	90	15	43
Nov.								
1968	24 202	7 864	6 121	3 683	76	123	23	41
1969	32 121	9 960	5 911	4 458	47	102	16	41
Dec.								
1968	25 504	11 755	5 841	4 404	84	75	20	43
1969	32 475	9 115	5 223	5 653	42	142	21	43

The monthly prices of certain vegetables on the Johannesburg produce market were as indicated in Table 2.

TABLE 2 - Prices of some of the most important vegetables which have been sold on the Johannesburg market for the months July to December of 1968 and 1969

Year and month	Grade 1 medium and mixed potatoes per pocket of 15 kg	Tomatoes per standard box 14 lb (6.4 kg)	Cabbages per bag 100 lb (45.5 kg)	Grade 1 medium dry onions per pocket 28 lb (12.7 kg)
July				
1968	85*	29	82	98
1969	85	47	81	85
Aug.				
1968	96*	45	63	107
1969	75	37	49	94
Sept.				
1968	94*	56	62	102
1969	81	42	41	100
Oct.				
1968	93*	33	92	58
1969	87	72	46	-
Nov.				
1968	123*	54	65	63
1969	66	74	44	68
Dec.				
1968	131*	27	52	71
1969	59	96	55	69

* Prices paid for a 37.5 lb pocket were converted to prices per 15 kg unit.

(b) Further particulars on potatoes

Marketing of the winter crop 1969. - Excellent yields were obtained during the past year, especially in the Northern Transvaal which is by far the most important winter production area. The total crop for this region amounted to approximately 6 000 000 bags of 15 kg each, as against 4 500 000 in 1968.

The total winter crop in Natal is estimated at 1 781 000 bags, compared with 837 000 bags in 1968.

At the outset prices remained fairly stable, although the markets were very well supplied - gluts even occurred at times. Prices on the Johannesburg market varied from 80c to 90c per bag for first grade mixed. Prices, however, gradually dropped to an average of 53c per bag during November when the daily supply at Johannesburg remained in the region of 100 000 bags and crops from the Pretoria/Witwatersrand area became available.

Marketing of the summer crop, 1969/70. - The major summer production areas, and especially the Transvaal Highveld, experienced exceptionally favourable weather conditions during the growing season October to February. The Highveld crop for 1970 is provisionally estimated at approximately 17 458 000 bags compared with 13 840 000 last year, notwithstanding a nearly normal planted area of about 20 000 hectares.

During January markets were heavily supplied and on the Johannesburg market, for example it happened only on a few days that stocks were below 100 000 bags. As a result prices dropped sharply. In view of these conditions the Potato Board, with the approval of the Minister, introduced a floor price scheme for all controlled markets on 19 January 1970, based on a price of 55c per 15 kg bag for first grade potatoes. Under this scheme, the board will supplement the price to the producer to a maximum of 20c per bag, thereby ensuring the producer a maximum gross yield of 55c per bag for first grade mixed. In the case of second grade, the floor price is 37c per bag with a maximum supplement of 15c. A reduction of the supplement is at present under consideration. Large-scale exports on a subsidised basis, to regular markets of the Republic, as well as to certain markets in Europe, were one of the measures taken by the Board to prevent a slump in the market. The Board, however, is experiencing problems in obtaining adequate quantities of potatoes of export quality from producers or markets.

Furthermore the Board, under its redistribution and stabilization schemes, also buys large quantities of potatoes on markets which are over-supplied and distribute them to markets or areas which are undersupplied - in most cases at a loss to the Board.

LIVESTOCK

1. SUMMARY

During February and March of 1969, widespread rains occurred and grazing improved considerably. For the rest of the year grazing conditions were on the whole, reasonably favourable, with the exception of the western part of the country, as well as a large part of the winter rainfall region, which experienced severe drought.

The production of pastoral products was generally on a high level. The production of commodities such as mohair, karakul pelts, fresh milk, eggs and poultry, shows an increase compared with that of the previous year. In the case of dairy products, however, production decreased as a result of severe drought conditions in certain regions. Although the production of wool increased, wool prices showed a downward trend.

Cattle and sheep numbers both increased. The capital value of all livestock amounted to R1 247 million as at 1 January 1970 compared with R1 232 million the previous year. The value of the livestock inventory increased by R24.2 million during 1969.

2. STOCK NUMBERS

The number of cattle on farms of whites, which includes the stock of employees, is estimated at 8.4 million for November 1969 and that of sheep at approximately 39.5 million. The composition of herds on a regional basis for November 1968 and 1969, is as follows:

Region	Cattle			Sheep		
	Number for		1969 1968	Number for		1969 1968
	Nov. 1968	Nov. 1969		Nov. 1968	Nov. 1969	
	'000	%	'000	%		
Winter rainfall region	358	379	106	3 243	3 754	116
Karoo	102	104	102	7 972	8 080	101
Eastern Cape	649	652	100	5 102	5 098	100
Northern Cape	994	1 106	111	6 586	6 883	105
Southern O.F.S.	302	320	106	3 883	3 888	100
Natal	1 367	1 378	101	2 160	2 209	102
Highveld	2 176	2 349	108	7 000	6 542	93
Transvaal	1 903	2 092	110	2 926	3 060	105
Total	7 851	8 380	107	38 872	39 514	102

Cattle numbers show an exceptionally sharp increase of nearly 7 per cent. In the Transvaal and Highveld regions herds have been built up to the 1964 level again, but in the Eastern and Northern Cape regions herds are at a considerably lower level than in 1964. In the former two regions favourable weather conditions are being experienced, while the opposite applies to the latter two regions. In addition, it seems as if the change-over from cattle to sheep in the Northern Cape is continuing.

Sheep numbers for the country as a whole increased slightly which may partly be attributed to the limitations placed on slaughtering on account of over-supplied markets and also because marketing is being hampered in most parts of the recognised sheep grazing regions by drought. The rapid increase in sheep numbers in the summer rainfall crop regions was not maintained during 1969 and numbers in the Highveld region have actually declined.

The composition of cattle numbers for November 1968 and 1969 compare as follows:

	1968		1969	
	Number '000	Per- cent- age	Number '000	Per- cent- age
Cows and heifers over 2 years	3 558	45	3 849	46
Heifers 1 to 2 years	1 061	14	1 174	14
Calves	1 666	21	1 782	21
Other cattle	1 566	20	1 575	19
Total	7 851	100	8 380	100

Judging from the above it is clear that the breeding potential of the herds increased further between November 1968 and 1969, whilst the number of oxen remained constant.

MEAT PRODUCTION, CONSUMPTION AND PRICES

(a) Commercial slaughtering

Commercial slaughtering in the Republic for the past few years have been as follows:

Type of stock	1966	1967	1968	1969	$\frac{1969}{1968}$
	'000				%
Cattle	1 746	1 528	1 442	1 436	100
Calves	211	177	156	166	106
Sheep and goats	6 368	6 358	7 193	8 206	114
Pigs	1 030	982	1 050	1 231	117

The sharp declining trend in cattle slaughtering has been checked, while record numbers of sheep, goats and pigs were again slaughtered in 1969. Cattle slaughtering in controlled areas increased but decreased in non-controlled areas. The supply of cattle from Republican sources, for slaughter in controlled areas, although still at a relatively low level, increased noticeably.

The slaughtering of sheep and goats in controlled areas again increased sharply and if it were not for the limitation of supplies, the numbers slaughtered would in all probability have been higher.

(b) Supply of red meat in controlled areas

The increasing trend in the supply of red meat in the controlled areas was maintained during 1969, mainly due to the larger number of sheep, goats and pigs slaughtered, and it compares as follows with previous years:

Kind of meat	1966	1967	1968	1969	$\frac{1969}{1968}$
	'000 tons				%
Cattle	220.2	212.9	220.5	227.7	103
Calves	4.1	3.6	3.4	3.6	103
Sheep and goats	66.7	71.2	83.0	95.3	115
Pigs	31.7	30.1	30.7	35.6	116
Total	322.7	317.8	337.6	362.2	107

Slaughtering of pigs and small stock increased by 16 and 15 per cent respectively. The composition of the supply of meat shows a noticeable change with an increase in the supply of meat of small stock, and a decrease in the share of beef. Indications exist that growing quantities of meat are flowing from controlled to non-controlled areas.

The meat market was relatively fully supplied in 1969 and indications are that this will also be the case in 1970. Herd numbers for all types of livestock also even those in the more important cattle regions, are at a comparatively high level. The supply of beef should increase in the future due to inter alia, favourable weather conditions in the most important production regions, less emphasis being placed on building up herds and the fact that the dairy market

is heavily over-supplied. The supply of small stock will probably also increase especially because of the progress that has been made in the application of the stock reduction scheme and the greater emphasis that is being placed on the production of mutton due to the decreasing trend in wool prices.

During the last couple of months quota restrictions have been applied in nearly all the controlled areas in order to protect slaughtering facilities. Nevertheless, on occasions heavy accumulations of slaughter stock have been experienced in the Witwatersrand area - this high-lights the limitations resulting from the inadequate slaughtering facilities and labour problems in this most important stock market. With improved supply and other measures it may be possible to combat the problem of slaughter stock accumulations but with the decreasing through-flow of slaughter stock thus brought about, the problem of slaughtering growing supplies of slaughter stock will be worsened. Active steps to also augment slaughtering facilities have therefore become an urgent matter.

(c) Consumption of meat

The per capita consumption of beef continues to decrease and is being supplemented by other kinds of meat as appears from the accompanying table. The estimated per capita consumption, in kilogram per head per year, was as follows for the past few years:

Year	Kind of meat				Total
	Beef	Sheep/Goats	Pig	Chicken	
kg per head per year					
1963/64	32.3	8.6	3.0	2.7	46.6
1964/65	30.1	8.3	3.2	2.9	44.5
1965/66	29.4	9.2	3.3	3.4	45.3
1966/67	28.4	8.9	3.5	3.6	44.4
1967/68	27.0	9.5	3.3	3.9	43.7
1968/69*	25.6	10.5	3.6	4.6	44.3

* Preliminary

The consumption of chickens, the consumers' price of which dropped considerably as a result of technological progress, shows the greatest increase in per capita consumption. The price of beef increased sharply during the same period and this sector of the industry lost part of its market to other kinds of meat.

(d) Auction prices of meat

The average auction price for grade 1 meat on the Witwatersrand was as follows for the latest few years:

Type of meat	1966	1967	1968	1969	$\frac{1969}{1968}$
	c per kg				%
Beef	38.76	43.32	44.91	44.86	100
Lamb	53.48	52.78	48.30	49.91	103
Mutton	47.02	48.55	47.49	46.03	97
Porkers	40.94	45.92	47.16	43.25	92
Baconers	39.11	42.13	42.39	39.15	92

The price of pork, which increased somewhat in 1968, dropped considerably in 1969 as a result of the increase in the supply of pig meat. The increased supply of mutton and lamb had little influence on the price level which has been dropping gradually for the past few years. The installation of a mechanical slaughtering line for mutton at Newtown was primarily responsible for the supply limitation placed on the supply of small stock for long periods during the latter half of 1969 and this undoubtedly resulted in a relatively more favourable price level than would otherwise have been the case. Beef prices were maintained at approximately the same level as that of the previous two years.

Prices on the Witwatersrand during recent months were on a lower level than that of the corresponding period of the previous year, except for lamb and mutton, the supply of which was limited as a result of slaughtering arrangements. Prices of grade 1 meat on the Witwatersrand during these months compare as follows:

Kind of meat	December			January		
	1968	1969	$\frac{1969}{1968}$	1969	1970	$\frac{1970}{1969}$
	c per kg		%	c per kg		%
Beef	52.4	46.6	89	49.6	44.9	91
Mutton	53.2	56.3	106	45.6	46.4	102
Lamb	53.2	60.5	114	49.8	51.4	103
Porkers	47.7	49.9	105	43.7	39.3	90
Baconers	41.6	39.2	94	41.3	39.2	95

WOOL

Offerings

For the period 1 July, 1969 to 31 December, 1969 the total quantity of all classes of wool offered at the four selling centres of the Republic was 592 868 bales; an increase of 14 186 bales or $2\frac{1}{2}$ per cent over the corresponding period of 1968.

Merino wools offered were nearly 20 000 bales more but a decrease in the quantity of other descriptions available reduced the nett figure to 14 000 bales.

Outright clearances on the sales have not matched the high proportions recorded in the previous season and Karakul, in particular, has been rather neglected. However, it has been established that there is little of this commodity now available from the stocks offered but unsold at auction, as the bulk of the Karakul in this category has been taken up by the trade.

The percentages sold outright in each class of wool offered is shown in the following table. (Comparative figures for the preceding season are shown in parenthesis).

Class of Wool	Merino	Native, Basuto and Transkei	Coarse and coloured	Karakul
Percentage of total offerings sold outright	94 (97)	79 (96)	91 (97)	18 (58)

Prices

The 1969/70 season opened in Cape Town on 2 September, 1969 with prices fully $2\frac{1}{2}$ per cent below the closing basis of the previous season at the end of May, 1969.

Prices declined by $5\frac{1}{2}$ per cent during September but improved slightly during October only to ease again by a further $3\frac{1}{2}$ per cent during November; in December the market held fully firm and showed a slight gain for long wools while mediums and shorts after a weak opening firmed on the lower basis for the remainder of the month.

Average prices at the end of December, 1969 showed the following percentage variations when compared with:

	Long	Medium	Short
Opening of season	- 6.8	- 8.8	- 9.1
End of November 1969	+ 0.4	- 1.1	par
End of December 1968	- 8.6	- 8.6	- 6.3
Close of previous season	- 9.2	- 11.6	- 11.8

Disposals

The value of all wools sold during the period 1 July, 1969 to 31 December, 1969 was R52.3 million at an average price of 31 cents per lb greasy.

Comparative details for the period under review in 1968 and 1969 are given hereunder.

Period	Nett weight 1 000 lb	Sale value (R)1 000	Avg. price (c per lb)
July/December, 1969	168 566	52 261	31.00
July/December, 1968	166 900	57 030	34.17
Difference	+ 1 666	- 4 769	- 3.17
% Difference	+ 1.0	- 8.4	- 9.3

Operations of the Wool Commission

The Wool Commission operating the Reserve Price Scheme in the markets was particularly active in the period September to December, 1969 as in the cheapening market, more and more

wools were reaching the Commission's floor prices. In this period the Commission supported over 57 000 bales or nearly 10 per cent of the entire offering. Final purchases were 3 866 bales or 0.6 per cent of all wools offered.

Shipments

Total shipments of all classes of wools shipped from South Africa and South West Africa during the period under review amounted to R48 million - R3.7 million or 7¹/₄ per cent below the corresponding period of the previous season.

Main shipments were destined to France, Japan, Germany and the United Kingdom, which together, accounted for 71 per cent of the total f.o.b. value of all classes of wool shipped.

Grease wool shipments for the season to date show a decline of 5 000 bales or 1.3 per cent less than the comparable period of last season. A feature of the December, 1969 figures however was the substantial increase in shipments to the United States viz. 7 643 bales for the month than in December 1968 thus improving the seasonal gross total to that country by 5 778 bales or 29.2 per cent.

Trends

The serious drought prevailing in South Africa at present may influence the total weight of wool produced this season. The Wool Commission released the estimate for the 1969/70 season during August, 1969 and at that stage the increase was expected to be 13¹/₂ million lb or 4¹/₄ per cent over the previous season's total of 321.5 million lb.

Factors preventing the recovery of the market at present appear to be the high cost of money and the psychological effect of a cheapening market. Stocks in consumer countries appear to be low but manufacturers seem cautious in their approach and are restricting their purchases to the minimum whilst ensuring continuity of operations.

MOHAIR

The past winter selling season was reasonably satisfactory. Three factors caused the season's average price to drop by 8.4 per cent from 132.45c/kg in 1968 to 121.2c/kg this winter.

In the first place, the rains came at such a time that the clip was more contaminated by seed than in many years. In the 1968 winter season only 0.9 per cent of the clip was so con-

taminated with seed that it had to be sold cheaply as carbonising types, compared to the high figure of 7.5 per cent this winter.

Secondly the clip was stronger than at any time since 1963 as a result of the rain and consequent good grazing. With premium prices being paid for fineness, especially in respect of kids and best adults, it was disappointing that such a large proportion of the kids had to be sold as young goat types and best adults as good adults. For the clip as a whole this probably meant a drop of at least 22c/kg.

Thirdly, many farmers, especially towards the end of the season, put exceptionally short clips on the market at a time when expensive and scarce money and the Italian strikes had placed a damper on demand. Short washing types increased from only 25 per cent in the 1968 clip to 33.7 per cent the past winter.

The market started well in September and on the first sale an average price of 138.8c/kg was achieved, the highest opening sale since 1963. On the third sale a general decline of 10 per cent set in, and the new levels were more or less maintained up to the final two sales when further drops occurred, especially in washing types. If the seasonal average is taken as 100, then the sale index for best adults on successive sales was 100.0, 103.4, 97.2, 99.8, 101.4, 96.1, 99.7 and 97.3. Against such stability must be put the poor showing of short washings with indexes of 113.5, 106.0, 97.6, 98.9, 101.1, 99.1, 92.4 and 84.3.

The total value of the clip was R3 257 000 for 2 686 550 kg compared with R3 325 000 for 2 511 567 kg in 1968.

The weight, average price and value of the winter clip over the past five years were as follows:

Winter clip sales, 1965 - 1969

Winter	Weight ('000 kg)	Average price (c/kg)	Value (R'000)
1965	3 052	126.5	3 862
1966	3 045	99.2	3 019
1967	2 965	83.8	2 487
1968	2 511	132.4	3 325
1969	2 686	121.2	3 257

Export

Only about 68 175 kg mohair is processed locally to the final product namely blankets and hand-woven articles. The remainder is exported, viz. about 42 per cent in scoured form, 5 per cent as tops and the rest in the grease. Annual exports, calculated to grease basis, have been as follows:

Exports, 1966/67 - 1968/69
(Grease basis, '000 kg)

	Year : July/June		
	1966/67	1967/68	1968/69
Italy	1 284	1 367	1 421
United Kingdom	2 089	2 089	1 414
Spain	185	513	871
Japan	957	769	621
France	330	492	310
South Korea	63	84	159
Netherlands	82	137	77
Belgium	134	91	63
Other	112	283	141
Total	5 240	5 826	5 077
Production	5 398	5 549	5 058

Prospects

Although a large area of the Angora region has not had rain since April 1969, and is once again in the grip of a serious drought, the summer clip was grown under reasonable conditions and should be of a good standard. The amount of kid mohair will be high due to a good kid crop, and with general grazing conditions better than for the 1969 summer clip, the weight should increase by about 10 per cent to slightly more than 2.7 million kilogram. In view of the strong consumer demand, prices should be satisfactory.

KARAKUL PELTS

During 1969 a record number of pelts were produced, viz. 5 323 774 of which 5 293 098 were exported.

The number of pelts offered and sold as well as the average price obtained on the five auctions held in London during 1969 are given in the following table. (Since September 1969 these karakul auctions held in London are known as SWAKARA auctions.)

Auctions	Offered and sold	Average unit price obtained (R)
February	962 580	6.13
May	628 472	6.16
July	1 000 433	5.76
September	1 443 825	5.70
November	1 492 679	6.07
Total 1969	5 527 989	5.94

Notwithstanding the fact that a record number of 1 492 679 pelts were offered and sold during November 1969, there was an average increase

of 5 per cent over the prices obtained at the September 1969 auction.

At the February 1970 SWAKARA auction, 1 034 839 pelts were offered and sold with an average decrease of just over 5 per cent in comparison with the November 1969 auction. This drop in average price is ascribed, inter alia, to the record number of pelts sold at the two preceding auctions, as well as the excessively large offerings at the February 1970 auction. The pelt market seen as a whole also showed a decline and the prices of certain types of mink dropped by as much as 40 per cent with an average drop of approximately 20 per cent. As a result of an international shortage of credit facilities and high rates of interest, financing is and remains a contributory factor to the decline in the demand for pelts. When seen in this light the prices obtained at the February 1970 auction are satisfactory.

Judging by current prices, it is difficult to see how the average rate of 1969 can be maintained in the coming year unless the general condition of the pelt market improves, especially in respect of mink. The uncertainties in respect of the economic expectations in the U.S.A. are largely responsible for the slump in the mink market.

BUTTER AND CHEESE

The record production of butter and cheese experienced during the season which ended on September 30, 1969, resulted in a considerable accumulation of stocks. With the exception of the relative small export quota of 975 metric tons of butter and 590 metric tons of cheese which the Republic has on the London market, no other export possibilities exist. The Dairy Board was therefore obliged to dispose of the surplus locally. In the major urban areas the public was offered butter, for a limited period, from accumulated stocks at a reduction of 24c per kg (11c per pound). Sales soared immediately but slumped again suddenly. In most areas it took 10 to 14 weeks before sales reached an even level again. By this effort, however, the Board succeeded in increasing total sales by approximately 7 per cent, which is equivalent to about 3 640 000 kg (8 million pounds) of butter. The latest sales figures show that this level is steadily being maintained. If it is taken into account that in the previous years the consumption of butter remained more or less constant, the cost of the reduction in price which amounted to R1.5 million was fully justified. Local consumers enjoyed the benefit of the reduction and some of the accumulated surplus was removed.

The same policy was followed in disposing also of the older stocks of Cheddar cheese, although the problem of surplus was not so serious in this case since the Dairy Board, by sustained marketing efforts, had succeeded in maintaining an annual increase in consumption of 7 per cent.

The level of production during the present season has been lower than during the corresponding period of the previous season, largely as a result of the drought in the western areas, including the greater part of the Cape. It is therefore possible that the Dairy Board will not again be faced in 1970 with such an urgent problem of surplus.

FRESH MILK

1. Production

The average daily production of fresh milk in the controlled areas during the period July to December for each of the past three years was as follows:

Fresh milk production in controlled areas, 1967, 1969

Area	July to December			1969
	1967	1968	1969	1968
	'000 litre			%
Witwatersrand	679.2	735.6	795.1	108
Cape Peninsula	323.7	349.1	375.5	108
Pretoria	160.5	173.7	184.1	106
Bloemfontein	46.4	56.8	59.6	105
Western Transvaal	41.4	49.6	49.1	99

2. Consumption

The quantity of milk consumed daily as fresh milk during the second half of each of the past three years was as follows:

Consumption of fresh milk, 1967-1969

Area	July to December			1969
	1967	1968	1969	1968
	'000 litre			%
Witwatersrand	543.3	569.6	602.8	106
Cape Peninsula	231.9	237.3	247.3	104
Pretoria	126.8	135.0	144.6	107
Bloemfontein	32.7	33.6	35.9	107
Western Transvaal	31.4	32.7	33.6	103

3. Production in relation to consumption

The production of fresh milk in the more important controlled areas is constantly increasing faster than consumption. However, when comparing the percentage increase in production between 1968 and 1969 with that of the preceding two years, it is evident that the rate of increase has declined. Notwithstanding this trend and the progressive increase in consumption, considerable surpluses are still being experienced. The average daily surplus in each area during the second half of each of the past three years compare as follows:

Average daily fresh milk surpluses, 1967-1969

Area	July to December		
	1967	1968	1969
	Percentage surplus		
Witwatersrand	25	29	32
Cape Peninsula	40	47	52
Pretoria	27	29	27
Bloemfontein	42	69	66
Western Transvaal	32	52	46

4. Producers' prices

The average unit price paid to producers for all milk delivered during the second half of 1969 was once again lower than that of the previous year, except in the case of the Western Transvaal area. The average unit prices during the second half of each of the past three years compare as follows; and the price paid by distributors during the second half of 1969 for milk purchased for fresh distribution purposes is indicated in the last column:

Producers' prices for all milk, and prices paid by distributors for milk intended for the fresh milk market, 1967-1969

Area	Unit-price			Whole milk price for distributor 1969
	July to December			
	1967	1968	1969	
	c per litre			
Witwatersrand	6.33	6.22	6.08	7.39
Cape Peninsula	6.40	6.26	6.02	7.39
Pretoria	6.35	6.32	6.31	7.39
Bloemfontein	6.14	5.56	5.27	7.37
Western Transvaal	5.96	5.68	5.75	7.26

5. Prospects

The surplus during the past summer season was not as excessively high as in the previous few years, especially in the Witwatersrand and Pretoria areas. In fact, during December, 1969, and January, 1970, the difference between supply and demand was at times so slight that the occurrence of shortages was even feared.

It would appear that the incidence of over-production on the average realisations is more and more taken into account by producers and indications exist that producers are endeavouring to adjust their production pattern so as to receive the greatest benefit from the Milk Boards' system of winter premiums and summer levies. Endeavours are therefore increasingly being made to regulate the supply in accordance with the needs of the market and the change-over to the bulk handling of milk would appear also to stimulate a more even production throughout the year. If this situation should continue, it would not only assist in the Milk Board's attempts towards orderly marketing, but also have a beneficial effect on payments to producers.

POULTRY

(1) Sales of eggs for eating purposes in the controlled areas

During the second half of 1969 the quantity of eggs sold for eating purposes in controlled areas reached the record level of 1 113 157 cases of 30 dozen each, which represents an increase of 17 per cent on the sales during the corresponding period of 1968. During the period July to December of 1968 and 1969 the sales of eggs intended for eating purposes were as follows for the various controlled areas:

Sales of eggs for eating purposes in controlled areas, 1968-1969

Area	July to December				1969 1968
	1968		1969		
	Number of cases	%	Number of cases	%	
Transvaal	388 798	41	444 273	40	114
Western Cape	231 792	24	274 106	25	118
Natal	178 241	19	227 133	20	127
Eastern Cape	84 978	9	103 165	9	121
Free State	68 039	7	64 480	6	95
Total	951 848	100	1 113 157	100	117

It appears from the levies collected by the Egg Control Board that except in the case of the Free State, sales increased considerably in all the areas. However, this does not imply that consumption increased to the extent indicated, since several of the controlled areas were extended during 1969.

(2) Purchases of surplus eggs by the Egg Control Board

The price at which the Egg Control Board buys surplus eggs was reduced in all the controlled areas during November 1969. The largest price reduction was effected in the Western Cape and East London - the areas with the largest surpluses - where the price was reduced by 1½ c to 23 c per kg.

During the first seven months of the 1969/70 season, egg purchases by the Egg Control Board reached the record level of 534 297 cases of 30 dozen each, which represents an increase of 22 per cent on the purchases of the corresponding period in the 1968/69 season. The composition of the purchases according to areas, was as follows during the months July to January of the 1968/69 and 1969/70 seasons:

Purchases of eggs according to areas, July to January, 1968/69 and 1969/70

Area	1968/69		1969/70		Change	
	Number of cases	%	Number of cases	%	Number of cases	%
						1969/70 1968/69
Western Cape	255 290	58	338 745	63	83 455	133
Eastern Cape	24 341	6	59 013	11	34 672	242
Natal	16 750	4	40 675	8	22 925	243
Orange Free State	70 297	16	53 823	10	-16 474	77
Transvaal	70 626	16	42 041	8	-28 585	60
Total	437 304	100	534 297	100	96 993	122

The entry of large-scale producers, especially in Natal and the Eastern Cape, contributed towards the particularly sharp increase in purchases by the Egg Control Board in these areas. In the Transvaal and Free State areas, however, purchases declined sharply.

(3) Export of eggs and egg products by the Egg Control Board

From July to December 1969 the Board exported 209 114 cases eggs of 30 dozen each, as well as 2 894 metric tons whole egg pulp, 68 metric tons egg-yolk pulp and 2 825 kg egg albumen powder.

A large portion of the exports went to the traditional markets in Europe, while a considerable quantity was also sold on new markets which are intensively being developed at present. The Egg Control Board is not only experiencing considerable problems in finding markets for surpluses, but sales are generally also taking place at declining realisations.

(4) Production of chickens

The production of hen chickens for the production of eggs reflects a declining trend since the beginning of 1969, whereas the production of chickens for slaughtering purposes is increasing sharply. The production for 1969 compares as follows with that of 1968:

Production of hen chickens, 1968-1969

Type	1968	1969	1969 1968
	'000		%
<u>Laying breeds</u>			
Pullets	11 411	10 514	92
Cockerels	11 282	10 436	93
Total	22 693	20 950	92
<u>Meat strains</u>			
Total	40 870	48 408	118
Total	63 563	69 358	109

(5) Fowl flocks

In order to determine future production, the Egg Control Board is collecting information on a quarterly basis from egg producers keeping 200 or more hens. These producers owned approximately 6.2 million hens at the end of June 1969. It is revealing to what extent concentration has already taken place in the egg industry and this process is continuing. At the end of June 1969, 7 per cent of the producers engaged in the survey, owned 15 000 or more hens accounting for 58 per cent of the egg production.

(6) Prospects

The industry has to contend with increasing surpluses, which are disposed of at considerable losses on overseas markets.

Losses sustained during last season amounted to approximately R2.1 million or R3.45 per case and the indications are that these losses will be considerably higher this season. In fact, it is expected that the levy income will not be sufficient to cover losses - this will entail drawings on the stabilisation fund of the Board.

Apart from marketing problems, the situation is aggravated by the increasing production resulting from the entry of large-scale enterprises, expansion of existing units and a higher production per hen. With a view to curbing the injudicious expansion of production, interested parties in the industry recently proposed various measures, inter alia production control. The Government is however, not in favour of the principle of production control in agriculture. However, under the special circumstances prevailing in the industry, it has been decided to take steps to regulate the expansion of production. With a view to this, special legislation will be introduced during the coming session of Parliament.

GENERAL

CO-OPERATIVE MATTERS

The tendency to establish bigger and more powerful organisations in order to cope with competition or to render services more economically, is notable in the co-operative movement just as in other sectors of the economy. In several instances negotiations had been conducted with a view to amalgamation or closer co-operation. For example, two artificial insemination co-operatives have already decided in principle to amalgamate in order to undertake the testing of bulls

before these are being put to general use, - a function which will bring about heavy financial commitments if undertaken by a single co-operative with a limited turnover.

Several central co-operatives have been established by local agricultural co-operatives. Dairy co-operatives have established a central organisation to assist them in their action against outsiders. This organisation has been requested to explore methods for closer co-operation between local dairy co-operatives.

The central roughage co-operative which was registered recently, has already appointed a full-time manager who is planning a new project, enlisting members and seeking the support of local agricultural co-operatives. Some of the main problems of this co-operative is lack of adequate funds and lack of support by co-operatives, which are mainly producers and not consumers of roughage.

After negotiations for several years between Sentrakas and Boere Hael Assuransie Koöperasie, a second central insurance co-operative has recently been established to take over all hail insurance conducted by Boere Hael and Sentrakas and to undertake crop insurance in due course. All other insurance for farmers will be undertaken by Sentrakas while Boere Hael will only act as agent for its members in respect of their insurance business with insurers. The overlapping of services between Sentrakas and Boere Hael which has been an acute problem for many years has now been solved. The new central organisation is starting off with more than a million rand in capital. The trained staff of Boere Hael is also taken over by the new organisation. No problems are therefore foreseen and the co-operative will be able to start on a streamlined basis after registration.

A co-operative recently formed to undertake the insurance of plantations and other assets of timber growers, has been registered. According to information received it is well supported by all co-operatives concerned.

An agricultural co-operative for the supply of farming requisites has been formed by Indian farmers in Natal. Registration is being held back, pending the enrolment of more members. Indian farmers are enthusiastic and it appears that the co-operative will function successfully provided that continuous guidance and advice be given.

The two-yearly congress of agricultural co-operatives will be held in Pretoria towards the end of April while the trading co-operatives will meet in Cape Town at the same time to discuss matters of mutual interest.