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Agrekon

VOL. 9 No. 3

JULY 1970

Editorial Committee: A.J. du Plessis (chairman),
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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.

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

The price is 25 cents per copy or R1 per annum, post free.

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

"AGREKON" is also published in Afrikaans.

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CHICORY

Production

The drought conditions during the second half of last year affected the crop adversely and according to present estimates, the 1969/70 production will amount to 9 723 metric tons of dried root. As a result of the prevailing drought, little chicory has been established at the end of June and it is already accepted at this stage that the 1970/71 crop, for the fifth consecutive year, will not be enough to satisfy the increasing local requirements.

Imports

As a result of the small crop, a shortage of 4 300 metric tons is expected during the 1969/70 season. Owing to the great shortage of chicory on the world market, the Board could, up to the end of May 1970, only obtain 400 metric tons of dried root from Europe. A mission sent to Western Europe early in June, however, succeeded in obtaining 1 740 metric tons for immediate shipment, as well as a further 2 350 metric tons for shipment from October onwards.

Consumption

During the past ten years the annual domestic consumption of chicory, which is used exclusively for coffee mixtures, increased from 8.6 million kg to approximately 12.7 million kg of dried root.

Prices

The increased selling prices for the 1969/70 crop have been fixed as follows -

	<u>R per 45.4 kg</u>
First grade dried root	5.60
Second grade dried root	4.60

The selling price of imported dried root has provisionally been fixed at R9.89 per 45.4 kg, but it is expected that it will be slightly lower when import costs have been finally calculated.

SUGAR

Production

The production of sugar during the 1969/70 season totalled 1 622 499 metric tons, made from 14 787 865 tons of cane compared with 1 505 382 tons of sugar, made from 13 719 694 tons of cane in 1968/69.

During the first two months of the 1970/71 season (May and June 1970) 296 296 metric tons of sugar were made from 2 639 807 tons of cane. During the same period in 1969, 183 043 tons of sugar were made from 1 882 383 tons of cane.

A pleasing feature of the season's start has been the high sucrose content of the cane.

Whereas in 1969 it took 10.28 tons of cane to make 1 ton of sugar, the comparative figure for 1970 is 8.91.

Although drought was experienced in the cane belt during the first four months of 1970, good winter rains were recorded in May and June.

Local sales

Local sugar sales during the 1969/70 season amounted to 790 471 metric tons. This reflects an increase of 20 899 tons compared with the previous season. Local sales during the first two months of the present season totalled 122 681 tons compared with 120 825 tons in May and June 1969.

Exports

Exports of sugar during 1969 totalled 659 036 metric tons which were considerably less than the 979 588 tons exported in 1968.

During the first six months of 1970, 383 971 metric tons of sugar to the value of approximately R21 million were exported. Exports during the same period in 1969 amounted to 255 793 tons.

The International Sugar Council has announced the redistribution of 125 000 metric tons raw value of the declared shortfalls at the end of May, amounting to 406 000 tons raw value. South Africa's share as an exporter is 13 556 tons raw value which raises its 1970 quota in effect to 572 828 tons raw value.

HORTICULTURE

Summary

During the 1969/70 season horticultural production was adversely affected by unfavourable weather conditions and a shortage of irrigation water, and the indications are that the volume of production will be slightly lower than last year. Production of deciduous fruit and wine was adversely affected by unfavourable weather conditions such as drought, frost, hail, wind and relatively high temperatures as well as by plant diseases. Production of citrus was also severely affected in a few regions and some orchards were damaged. The damage assumed considerable proportions especially in the Sundays River Valley where Government assistance was considered necessary. Despite the set-backs in some regions, however, the total 1970 citrus crop is expected to equal that of the previous season. Although adequate supplies of vegetables were generally available, some vegetables were in short supply, particularly during the past few months. Dried fruit also had a poor season and production was 21 per cent lower than that of the previous season.

Prices of fruit and vegetables were fairly favourable on the local market this year. Local producer prices compare favourably with those of the previous year, especially in the case of fruit. But as far as the export market is concerned, the prices realised in 1970 were noticeably lower than in 1969. It should be borne in mind, however, that exceptionally good prices were obtained on export markets last year. As regards deciduous fruit, there was not only a drop in prices but also a decrease in the quantities exported. Citrus exports are still in full swing but here, too, a tendency for prices to drop lower than last year has already become evident.

As a result of the general drop in production and price trends, the gross value of horticultural production has also diminished. The gross value of horticultural production for the present year is now estimated at a mere R216 million compared with R228 million last year. This represents a decrease of 5 per cent. This decrease is particularly significant in view of the fact that the value of horticultural production has consistently shown a strong upward trend over the past decade and is now declining for the first time.

CITRUS FRUIT

Local sales

Fresh fruit markets - The better prices realised for fresh fruit sales during 1969 (the major outlets being the 30 main fresh produce markets) have again been improved upon during the first half of the current season i.e. until the end of June 1970. As against a gross average realisation for all citrus of 61c per pocket on the 30 main markets during the whole of the 1969 season (60c per pocket for the first half of the latter season) an average price of almost 68c per pocket has been obtained so far this season. This represents an increase of 13 per cent. (The bulk of commission sales which is the predominant sales method for the local fresh fruit market is effected through these 30 main markets.) During the first half of the present season 2 213 355 pockets of citrus (being approximately 28 000 pockets less than during the corresponding period of last season) have been disposed of on the main fresh produce markets at the average gross price indicated above.

Factory sales - The net prices fixed annually by the Board in respect of fruit sold to factories have on the whole remained virtually at the level of the previous year. Small price increases have been effected only in the case of fruit sold to factories which do not use this fruit for the manufacturing of pure juice products. At the end of June 1970 5.2 million pockets of citrus, the bulk being oranges and grapefruit, have already been sold to factories, compared with 4.4 million pockets for the corresponding period of the previous season. For the whole of the latter season over 10.4 million pockets of citrus were disposed of in this manner.

Total local sales - During the 1969 season a total of 17.8 million pockets of citrus were sold on the domestic market. Just over 64 per cent of this total quantity was supplied to processing factories and other minor fresh fruit outlets (the latter being sales to distributors on a non-commission basis) at an average gross price of 19.6c per pocket. This comparatively low return on the bulk of the local sales is one of the major reasons for the Board's endeavours to increase and broaden as far as possible the demand in the local fresh fruit market. With factory sales at a higher figure already than was the case this time last year, it may well be that the quantities sold in the domestic market this season may be equal to that of last year or even exceed it.

Exports

During the 1969 season 20.8 million units of citrus (16 kg each) were accounted for in the export pools - this was 1.2 million units less than the previous year, but on the other hand gross prices obtained during 1969 were markedly better than during the 1968 season viz. respectively 273.0c and 232.5c per export unit. A salient feature of the 1969 season was the much better realisations (compared to the season before that) obtained for especially grapefruit and lemons of which larger quantities were also sold in the European markets. Sound grapefruit and lemons realised respectively 110c and 93c per unit more than during 1968.

Until the end of June of the current season, the total quantity of citrus exported amounted to 3.6 million units and for these exports an average gross price of 242c per unit was obtained by the Board. This compares with 4.1 million units at an average price of 301c per unit during the corresponding period of the 1969 season. Marketing results for individual varieties for the first part of the current season were as follows compared with the corresponding period of the 1969 season -

	Current season		1969 season	
	Quantities (units of 16 kg each)	Average gross price (c per 16 kg)	Quantities (units of 16 kg each)	Average gross price (c per 16 kg)
Oranges	1 905 913	228	2 838 317	274
Grapefruit	1 515 717	258	1 194 531	364
Lemons	143 590	259	165 534	308
Total all citrus	3 565 220	242	4 198 382	301

DECIDUOUS FRUIT

Production

Severe drought during the 1970 season affected virtually the entire controlled production area of deciduous fruit, and, especially in the Langkloof, the apple crop was drastically reduced. Hail and wind damage in the Ceres area limited the pear crop to 10 per cent of the normal crop and also had an adverse effect on the apple crop.

Local marketing and consumption

Over the past year attention has been devoted mainly to finding methods of further developing local and over-border markets. New marketing techniques were tested and an experiment to test new packs was begun. As far as the local marketing of apples is concerned an association was founded to promote consumption, since the per capita consumption of fresh apples in South Africa is very low in comparison with other developed countries.

The following quantities of deciduous fruit under the control of the Deciduous Fruit Board were sold on local and over-border markets over the past three years -

Fruit	Year		
	1969/70	1968/69	1967/68
	Metric tons		
Peaches (including nectarines) ...	753	656	639
Plums (including prunes)	1 003	1 181	931
Pears	3 786	3 684	3 782
Grapes	5 367	6 889	6 459
Total	10 909	12 410	11 811

Exports

Total exports are expected to equal those of last year but the proceeds will not reach the record figure achieved during the previous season. For the second year in succession total physical exports have remained virtually constant, in contrast with the 6 per cent growth trend that was a feature of earlier seasons over the past decade. The quantities exported over the past three years by and under the control of the Deciduous Fruit Board are given in detail below -

Fruit	Year		
	1969/70	1968/69	1967/68
	Metric tons		
Apricots	126	221	163
Peaches (including nectarines)	872	935	973
Plums (including prunes)	1 749	2 019	2 319
Grapes	26 377	27 504	30 049
Pears	24 567	30 629	29 010
Apples	115 869	115 376	120 694
Total	169 559	176 684	183 208

The final proceeds from sales on overseas markets for the 1969/70 season are not yet known but it is obvious that there is a downward price trend. This may be attributed partly to the large volume of French and Italian apples, as well as British pears, that is marketed in an excellent condition after the season as a result of controlled-atmosphere techniques.

The European Economic Community has imposed restrictions on imports of apples from non-member countries in order to protect the marketing of their own production. However, South African exports have not yet really been affected by this. Although import quotas have been fixed for the future, importers still have a free choice as regards the country of origin. Stronger competition between producer countries in the southern hemisphere may therefore be expected, with quality the decisive factor.

Prices

Average pool payments to producers for export fruit during the past two seasons were as follows -

Fruit	Pack	Year	
		1969/70+	1968/69
		Rand	
Apples	Carton + 18.1 kg	2.51	3.11
Pears	Case + 18.1 kg	2.30	2.49
Grapes	Box + 4.5 kg	1.43	1.35
Plums	D/L tray	2.51	2.47
Peaches	S/L tray	0.77	0.91
Apricots	D/L tray	1.75	1.52

+ Payments to date

BANANAS

Local production and imports

The local production and regular imports of bananas showed a rising tendency from the commencement of the first pool 1969/70 to the ninth pool, after which there was a decrease. As from the eleventh pool, production remained more or less stable.

The severe drought experienced in all the production areas, coupled with wind damage in the Letaba, White River and Malelane areas, will undoubtedly have a detrimental effect on the production of bananas during the first six pools of 1970/71.

Despite the drought, the Board marketed a record quantity of bananas during the first eleven pools of 1969/70.

The production in Southern Macambique, however, shows no sign of decreasing. Due to a shortlived shortage of bananas, the Board was compelled to import an additional small quantity of bananas from Northern Mocambique during the eleventh and twelfth pools.

The table below indicates total receipts by the Board for the first eleven pools of 1969/70, compared with the quantities marketed during the years 1967/68 and 1968/69.

Total quantities marketed by the Board (45 kg units i. e. 100 lb each)			
	1969/70 (Pools 1-11)	1968/69	1967/68
Republic Southern Mocambique	933 093	698 770	815 131
Total	1 202 473	856 634	872 827
Additional imports			
Northern Mocambique	3 766	2 410	25 470
Malgasy	-	4 270	-
Total	3 766	6 680	25 470

Exports

No exports were effected by the Board during the period under consideration.

Retail prices

Retail prices were adjusted according to supply and, in order to stimulate sales, the retail price was reduced to 7c a pound during the ninth pool. As production declined, however, adjustments were made and the retail price rose to 9c a pound as from 9 March 1970 and to 10c a pound as from 31 April 1970.

Gross proceeds and net payments

Despite the decrease in the consumer price, the net payments to producers were still fairly favourably, especially if the large volume marketed is taken into consideration -

Weighted average net payment to producers (R per 100 lb or 45 kg)	
1967/68	R 4.01
1968/69	4.34
1969/70 (pools 1 - 11)	3.09
Average gross proceeds (R per 100 lb or 45 kg)	
1967/68	R5.94
1968/69	6.34
1969/70 (pools 1 - 11)	4.64

DRIED FRUIT

Production

The 1969/70 dried fruit crop is expected to amount to about 19 250 metric tons, compared with the record crop of 24 260 tons during the previous year - a decrease of 21 per cent. Except in the case of dried peaches, where a slight increase of 6 per cent is expected, the

estimated decreases vary from 7 per cent in the case of currants to 53 per cent in the case of pears. The drop of more than 3 000 tons in the production of sultanas may be attributed mainly to the fact that the buds were exceptionally fertile the year before, and the drop of about 440 tons in the raisin crop is largely due to the increased tonnage of hanepoot grapes delivered to wineries - particularly in the Vredendal area. Drought in the Western Cape was responsible for a further drop in the currant crop. There was hail damage in pear production areas such as Ceres and Wolseley and this damage was so severe that canning factories even accepted some of the damaged pears, with the result that these supplies were not available for the production of dried pears. The following table shows the quantities of dried fruit received by the Dried Fruit Board and the South African Dried Fruit Co-operative during the past two years and reflects the production trends in greater detail -

	Year		
	1969/70*	1968/69	1969/70 1968/69
	1 000 metric tons		%
<u>Received by the Dried Fruit Board</u>			
Sultanas	12.1	15.3	79
Raisins	1.1	1.4	78
Currants	0.6	0.7	89
Prunes	1.8	2.4	74
Sub-total	15.6	19.8	79
<u>Received by the South African Dried Fruit Co-operative</u>			
Peaches	1.7	1.6	106
Apricots	1.0	1.1	88
Pears	0.6	1.3	47
Apples	0.1	0.2	55
Other	0.2	0.2	100
Grand total	19.2	24.2	79

* Provisional

Imports

Only the currant stocks are not sufficient to meet the local demand this year and it is estimated that approximately 300 tons of currants will therefore have to be imported.

Consumption

The 1969/70 production of sultanas, dried peaches and apricots is higher than the local demand and substantial quantities will have to be exported. The production of prunes and dried pears is sufficient for local requirements. However, the carry-overs of dried pears from the previous season will make it necessary to export. Raisin production is lower than local consumption this year but together with the carry-over from the end of last season the available quantities should be just sufficient to satisfy

local requirements. Local production of currants will once again have to be supplemented with imports this year.

Exports

A fairly large tonnage of sultanas, dried peaches and apricots will have to be exported this year. Contracts have already been concluded for the export of part of the 1969/70 sultana crop, as well as the remaining carry-over of 1 500 tons from the previous season. In the case of dried pears the carry-over from the season before will also make exports necessary.

Prices

The average producer and packer's selling prices of dried fruit for which there are single-channel marketing arrangements for this and the previous season are given in the table -

	Producer price			Packer's selling price**	
	1970	1969	1969	1970	1969
	Advance payment*	Advance payment*	Final payment		
	c per kg				
Lye dipped sultanas	13.65	13.69	1.74	31.68	30.31
Thompson seedles sultanas	12.99	13.01	1.68	32.13	30.61
Bleached sultanas	14.33	14.42	1.85	35.55	34.35
Raisins	19.81	15.63	1.88	31.18	28.92
Currants	24.01	23.09	4.91	38.55	38.40
Prunes	22.52	21.67	4.42	39.15	39.41

VITICULTURE

Production

The vintage totals in leaguers of wine produced from 1967 to 1969 are as follows -

Product	Year			1969
	1969	1968	1967	1968
	1 000 leaguers			%
Good wine	449.3	415.1	329.2	108
Distilling wine	399.1	437.5	419.3	91
Total	848.4	852.6	748.5	99

The 1970 harvest was originally estimated at 950 000 leaguers but the latest provisional crop survey shows that the harvest will scarcely be larger than that of 1967, namely in the vicinity of 750 000 leaguers. This sharp drop in production was caused by unprecedented drought, frost and hail damage that occurred virtually throughout the wine-producing area.

Consumption

During the past few years there has been a considerable increase in unfortified table wine sales on the local market. Consumption in this sector of the wine market increased by 17.8 per cent in 1968 and 8.1 per cent in 1969. On the other hand, local consumption of fortified wine showed a decrease of 0.3 per cent in 1968 and an increase of only 1.1 per cent in 1969. In 1968 and 1969 respectively, consumption of brandy increased by only 0.4 and 0.1 per cent. For the past three years there have not been sufficient stocks of wine spirits to meet the demand for this product which is used in the manufacture of gin, vodka and liqueurs, and cane spirit had to be used as a substitute.

Exports

Although the improved results obtained in other countries to which wine is exported compensated to some extent for the loss of income on the British market, there was nevertheless a drop in the total proceeds from exports. The possible entry of the United Kingdom into the European Economic Community might aggravate the position.

Prices

The following table reflects the price trends in the wine industry over the past three years -

	Year		
	1970	1969	1968
	R per leaguer at 20°		
Minimum price of distilling wine to trade	40.64	40.64	40.64
Distilling wine pool payments to producers	32.51	33.39	34.96
Minimum price of good wine to trade	50.00	50.00	45.72

VEGETABLES

Sales on fresh produce markets

A total of 342 530 metric tons of vegetables was sold on the nine major fresh produce markets during the period January to June 1970. This represents an increase of 15.5 per cent on the figure for last year. This increase is due largely to the fact that potato sales came to 38 600 tons more. The increase in the quantity of vegetables sold (excluding potatoes) was only 4.6 per cent.

The following table shows the quantities of certain vegetables sold on the nine markets from January to May 1970, compared with the average figure for the previous five years.

Year and month	Produce				
	Potatoes	Tomatoes	Cabbages	Onions	Green beans
	1 000 metric tons				
January 1970	31.4	8.9	3.4	5.3	0.6
5 year average	26.7	9.2	4.5	4.3	0.8
February 1970	35.4	7.6	3.9	4.6	0.8
5 year average	25.3	7.9	3.9	4.1	0.9
March 1970	43.6	11.3	4.2	6.1	1.2
5 year average	28.4	8.9	4.3	4.6	1.2
April 1970	38.3	8.0	4.7	4.7	1.3
5 year average	28.7	9.2	5.0	4.3	1.4
May 1970	30.9	9.0	5.9	4.2	1.3
5 year average	30.5	9.3	5.4	4.3	1.6

However, the total value of vegetable sales amounts to approximately R16.0 million, compared with R17.6 million for the corresponding period last year - a decrease of nine per cent. If potatoes are not taken into account the value of vegetable sales shows an increase of 10 per cent.

The producer price index for certain vegetables for the months January to May 1970 compares as follows with the average index for the previous five years:

Year and month	Producer price index				
	Potatoes	Tomatoes	Cabbages	Onions	Green beans
	1947/48-1949/50=100				
January 1970	84.1	203.2	198.2	104.9	239.6
5 year average	139.5	143.2	109.0	124.0	170.4
February 1970	78.2	261.3	207.6	121.9	277.7
5 year average	141.7	164.9	157.2	129.7	196.1
March 1970	83.1	173.5	242.0	130.5	249.5
5 year average	146.1	168.6	191.2	143.1	181.4
April 1970	116.2	190.1	202.1	193.9	140.8
5 year average	162.7	168.1	153.6	172.1	147.8
May 1970	116.3	180.9	170.9	197.7	200.2
5 year average	142.8	164.3	168.0	202.1	151.2

Canning

The total quantity of vegetables canned during the period January to June 1970 is estimated at 58 967 metric tons, which is about 5 443 metric tons more than the figure for the corresponding period last year. The gross value of vegetables canned during the first six months of this year is estimated at R1.71 million, compared with R1.55 million for the corresponding period last year.

Exports

About 22 680 metric tons of vegetables were exported during the period January to June 1970, compared with 21 772 metric tons for the corresponding period last year, representing an increase of four per cent. The estimated total proceeds from exports during this period amounted to R1.5 million compared with R1.4 million for the first six months of 1969.

POTATOES

Production

The Transvaal Highveld, which normally produces about 50 per cent of the country's potatoes and markets them mainly in the months January to June, produced a record crop of 17 million pockets (15 kg) during the past season. This is almost 4 million pockets more than last year. The quality and keeping quality of potatoes were poor this year. In fact, quality has been deteriorating for a few years, the main reasons for this probably being injudicious fertilisation and the high temperatures to which potatoes are exposed in the soil and in transit.

The other summer production areas produced more or less normal crops. The total summer crop for the country for 1969/70 is estimated at 24 million pockets, compared with 19.1 million pockets during the previous year.

Because of the drought in some areas, the winter crops are expected to be considerably smaller than in 1969 and prices during the months August to November will be at a higher level than during the same months last year. During this period limited quantities of potatoes from neighbouring territories will also be marketed in the Republic.

Consumption

It is estimated that approximately 80 per cent of all the potatoes sold in the Republic are sold on the municipal markets and in the controlled (urban) areas. A certain percentage of the potatoes sold on the urban markets is redistributed to rural markets or to the Bantu homelands by the Board and the trade. During the period 1 January to 30 June of this year the Board sold 973 682 pockets of potatoes (15 kg) in the Bantu homelands and urban Bantu townships, compared with 110 229 pockets during the first six months of 1969. This increase is due mainly to the exceptionally low prices on the local markets.

The total quantity of potatoes sold in the controlled areas is an indication of consumption in the Republic as a whole. The quantity and value of these sales during the first six months of 1970 compare as follows with the figures for 1969 -

Year (Jan. to June)	Sales in controlled areas (urban markets)			
	Johannesburg market		All urban markets	
	Pockets (15 kg)	Value	Pockets (15 kg)	Value
	1 000	R1 000	1 000	R1 000
1969	4 234	3 996	11 983	10 605
1970	6 071	2 891	14 976	8 132

Exports

Owing to the low local prices and the firm demand overseas, the Board this year exported potatoes to the United Kingdom and Europe for the first time in seven years. However, because of the poor keeping quality of the potatoes, this outlet could not be fully exploited and a total of only 1 606 metric tons of table potatoes was shipped to those markets. In addition, a total of 8 122 metric tons of table potatoes was exported to the regular markets during the first six months of 1970, as against 5 892 metric tons in 1969.

During the period January to June 1970 exports of seed potatoes amounted to 82 088 pockets (30 kg), compared with 69 199 pockets for the same period last year.

In the coming months limited quantities of potatoes will be exported to neighbouring territories that regularly buy from the Republic.

Prices

Owing to the record crop and poor quality and keeping quality the market prices were much lower this year than last year, as is shown in the following table, which gives the Johannesburg market prices -

Month	Average price for first grade mixed	
	1970	1969
	c per pocket of 15 kg	
January	44	90
February	37	94
March	41	102
April	65	98
May	63	95
June	73	87

During the period 13 January to 15 April the Board operated a market price support scheme and a total of R411 000 was paid direct to producers under this scheme to supplement market prices.

ROOIBOS TEA

Production

The introduction of marketing quotas for producers in 1968 was followed by an unexpected rapid decrease in production, with the result that these quotas were abolished at the end of the

1969 season. This drop in production can be attributed mainly to neglect of existing plantations as well as the droughts in recent years.

Rooibos tea is a perennial plant that comes into full production only three years after planting. Moreover, it was not possible to determine the duration and eventual effects of the drought and there was an unprecedented rise in consumption, so the Rooibos Tea Control Board decided to introduce packers' quotas during 1970 in order to ensure an equitable distribution of supplies among packers.

There are signs that normal rains will return to the production area and production prospects seem promising. Interest is so rife among producers at present that a great shortage of suitable seedlings has developed, with the result that many producers had to resort to planting seed this year. If the 1970 plantings are successful and there are normal rains during the next few years production can be increased to 1 360 000 kg by 1972.

Production during the past three years was as follows -

1968*	-	663 479 kg
1969*	-	744 400 kg
1970	-	1 043 262 kg
<u>1970</u>	-	
1969	-	140%

* Produced under quota

Consumption and exports

The constant yearly increase in consumption of about 7.5 per cent over recent years rose to more than 29 per cent for 1969.

Sales by the Board, proceeds from the sales and consumption over the past three years are given below -

	1969	1968	1967	<u>1969</u> 1968
	%			
Sales by the Board (kg)	1 369 377	1 015 643	765 784	135
Proceeds (R)	436 232	303 610	238 226	144
Consumption (kg)	1 172 474	903 680	838 193	135

The following quantities of rooibos tea were exported over the past three years -

1967	-	13 120 kg
1968	-	14 533 kg
1969	-	19 897 kg
<u>1969</u>	-	
1968	-	137%