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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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Contents

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HORTICULTURE

DECIDUOUS FRUIT

PRODUCTION

After the third successive winter with below-average rainfall, producers in the production areas, who are largely dependent on irrigation, are experiencing fairly serious shortages of irrigation water,and the boreholes have become brackish. The most recent production estimates in the Hex River Valley, which is the main table grape production area, for instance, indicate that the production of export grapes will drop by about 1,3 million 4,5 kg trays, and that production of deciduous fruit in the Koo, Montague, Barrydale areas has also been severely affected.

It is estimated that the quantity of fruit that will be available for export during the 1972/73 season is somewhat less than the approximately 249 500 tons exported during the previous season.

MARKETING

Local marketing

The local marketing of apricots, pears and apples is not controlled, but the Board nevertheless co-operated in the recently announced embargo on the sale of undergrade apples and pears as well as standard grade pears during certain periods. The offering of fruit ought therefore to be of better quality. The Board also participates in sales promotion campaigns to increase the consumption of apples and apple juice.

During the last six months of 1972 approximately 37 000 tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, was offered on the nine main fresh produce markets, as against an average of 33 700 tons for the corresponding period in the preceding three years. This represents an increase of 9,7%. The increase in sales is attributable mainly to the larger quantities of apples offered during July and August. The quantity of deciduous fruit sold on the nine main fresh produce markets every month from July to December 1972 are compared below with the average sales during the corresponding month in the preceding three years, viz 1969 to 1971.

Sales of deciduous fruit on nine important produce markets

1972*	Apples	Pears	Peaches**	Plums	Apricots	Grapes
	100 tons					
July	61,5	7,9	-	-	-	2,3
	(45,0)	(7,2)	(-)	(-)	(-)	(1,7)
August	72,6	6,9	-	-	***	1,2
	(48,2)	(5,8)	(-)	(-)	(-)	(2,7)
September	47,1	4,2	***	-	-	0,5
	(50,3)	(4,4)	(***)	(-)	(-)	(1,6)
October	47,1	2,5	0,1	-	0,6	***
	(40,7)	(2,2)	(0,1)	(***)	(0,2)	(***)
November	16,1	0,5	17,4	1,9	7,7	0,9
	(28,7)	(0,6)	(12,9)	(1,3)	(7,0)	(0,7)
December	2,9	0,3	47,4	9,9	5,6	4,4
	(8,2)	(0,3)	(41,0)	(11,2)	(7,4)	(3,4)

* Figures in brackets are the three-year averages up to and including the month concerned

** Excluding nectarines

*** Less than 250 kg

PRICES

Local prices

The larger offering of apples during July and August resulted in prices being lower than the average price for the preceding three years. The average monthly prices for grapes were, however, consistently higher than the average price for the corresponding month of the preceding three years.

The average market prices for the months from July to December 1972 are compared below with the average prices for the corresponding period of the preceding three years:

1972*	Apples	Pears	Peaches**	Plums	Apricots	Grapes
	R per ton					
July	103,2	112,3	-	-	-	260,9
	(117,7)	(104,6)	(-)	(-)	(-)	(248,7)
August	105,3	137,4	-	-	-	250,2
	(116,8)	(117,6)	(-)	(-)	(***)	(236,5)
September	122,0	148,4	***	-	-	303,8
	(117,6)	(111,9)	(-)	(-)	(-)	(260,7)
October	129,5	195,4	191,5	-	154,8	301,9
	(137,8)	(192,1)	(222,9)	(-)	(-)	(170,4)
November	141,5	85,6	161,4	165,4	138,1	259,5
	(132,3)	(194,0)	(147,5)	(171,2)	(125,6)	(234,1)
December	160,3	86,0	125,8	139,3	135,9	270,8
	(151,9)	(100,8)	(158,7)	(114,9)	(220,7)	(163,2)

* Figures in brackets are the three-year averages up to and including the month concerned

** Excluding nectarines

*** Less than 250 kg

EXPORTS

The most important factor affecting exports is the entry of the United Kingdom into the E.E.C., and the imposition of compensatory levies that will apply during the period when early varieties of peaches and apples traditionally arrive.

In the course of discussions at a high level it was decided to continue exporting as before, so as to retain a share in this market for the future, when compensatory levies will no longer apply. A further consideration was the danger of reduced prices if the total quantity available for export were to be exported during a shorter period.

Attention is still being given to diversification and development of markets, especially to the promotion of sales in West Germany, which is regarded as a potentially important market. Handling of fruit for the export market is also receiving special attention.

A number of large-scale trials are being carried out in connection with the pre-cooling of grapes in the inland areas as soon as possible after the fruit is picked, and grapes are now palletised in the production area for transportation to the harbours. It is intended in the course of one trial, to ship grapes in pallets. Practically all pears and apples available for export are already delivered at the docks in pallets. This reduces the handling of individual containers, and means that loading and unloading can proceed more quickly by using mechanical aids.

Exports during 1971/72 are compared below with exports in 1970/71:

Fruit	Exports		1971/72 / 1970/71
	1971/72	1970/71	
	Tons		%
Apricots	175	177	99
Peaches	1 187	1 184	100
Plums	4 015	2 393	168
Pears	37 614	30 246	124
Grapes	33 379	33 760	99
Apples	173 049	132 174	131
Total	249 419	199 934	125

The export volume was greater in 1971/72 than in 1970/71. The greatest increase was that in the quantity of plums exported, although there were also good rises in the case of pears and apples.

EXPORT REALISATION

Whereas 1969/70 was a fairly poor year, 1970/71 and 1971/72 were relatively good years. The table below shows details of the gross proceeds realised over the past three years:

Fruit	1971/72	1970/71	1969/70	1971/72 / 1970/71
	R			%
Apricots	95 591	72 557	58 024	132
Peaches	780 166	590 929	513 652	132
Plums	2 115 450	1 148 589	890 485	184
Pears	9 705 332	7 058 645	5 525 003	137
Grapes	19 880 762	15 939 584	13 409 047	125
Apples	47 047 084	34 766 433	28 824 596	135
Total	79 624 384	59 576 737	49 220 807	134

The increase in the gross proceeds from 1969/70 to 1970/71 was 21%. This increase in gross proceeds resulted partly from an increase in the export volume, but was mainly the result of higher prices obtained for all fruit with the exception of grapes and apricots. In the case of grapes a volume increase of 24% was experienced, as against an increase in gross proceeds of 19%.

In 1971/72 there was also an increase in both the volume exported and the gross proceeds, viz 25% in volume and 34% in gross proceeds. The largest increase in export volume, viz 68%, was that in the case of plums, and the increase in gross proceeds was 84% in the case of plums. To a lesser extent the same pattern appeared in the case of all other fruit.

CANNING

INTAKE

The intake of apricots, pears and peaches by canners from the production area under the control of the Canning Fruit Board during the 1970/71 and 1971/72 seasons, as well as an indication of expected deliveries during 1972/73, are shown in the following table:

Product	1972/73	1971/72	1970/71	1972/73 / 1971/72
	Tons			%
Apricots				
Bulida	9 299	10 697	10 013	87
Royal and Peeka	3 555	4 403	6 168	81
Total	12 854	15 100	16 181	85
Pears				
Bon Chretien	47 000	41 982	44 358	112
Other cultivars	-	373	3 525	-
Total	47 000	42 355	47 883	111
Peaches				
Clingstone	113 000	109 011	109 273	104
Freestone	-	27	51	-
Total	113 000	109 038	109 324	104

The quantity of apricots accepted during the 1971/72 season was about 7 per cent less than the previous season, and it is expected that the intake will drop by about 15 per cent in 1972/73. The drought and the scarcity of irrigation water, as well as the lively demand for Royal apricots for drying are advanced as the main reasons for this decrease. The quality of Bulida apricots was generally satisfactory, but that of Royal apricots was relatively poor, partly because of a heat wave in parts of the production area.

The relatively sharp decline in the quantity of Bon Chretien pears accepted during the 1971/72 season may be attributed to the application of amended grading regulations, which provides for only two grades, viz Canning and Undergrade, in combination with an embargo on the sale and processing of Undergrade pears. In addition, the average size of the pears was smaller than normal. The latest indications are that pear intakes in 1972/73 will be larger than in 1971/72, in spite of the drought.

The present indications are that deliveries of peaches to canners will increase slightly during the 1972/73 season. The trees have borne well, generally, especially the early cultivars. The quality also seems good, although fruit of the late cultivars, which constitutes the larger part of the crop, may be a bit small.

PRICES

The fixed minimum farm prices for apricots, pears and peaches for the three seasons since 1970/71, as well as the average farm prices received by producers for their deliveries, were as follows:

Product	1972/73	1971/72		1970/71
	R per ton			
Bulida apricots				
Minimum prices				
Canning grade	68,00	63,00	Grade I	68,34
Jam grade	42,00	41,00	Grade II	48,50
Average farm price		60,36		69,99
Royal apricots				
Minimum prices				
Canning grade	68,00	65,00	Grade I	72,75
Jam grade	44,00	43,00	Grade II	50,71
Undergrade	-	-	Grade III	24,25
Average farm price		62,45		74,83
Bon Chretien pears				
Minimum prices				
Canning grade	56,00	51,00	Grade I	58,97
			Grade II	33,07
			Grade III	33,07
Average farm price		48,28		56,67
Clingstone peaches				
Minimum prices				
Canning grade	75,00	64,50		68,34
Average farm price		61,20		64,82

The relatively poor operating results of canners during 1970/71 led to a reduction in the minimum prices for the 1971/72 season, which ultimately resulted in a reduction in average farm price. Better operating results, mainly on account of higher export realisations due to devaluation as well as better market prospects for 1973, justified an increase in the minimum prices for 1972/73.

GROSS FARM VALUE

The gross farm value of canning fruit delivered to canners by producers during the past two seasons is shown below:

Product	1971/72	1970/71
	R	
Apricots		
Bulida	645 653	700 764
Royal and Peeka	275 018	461 554
Subtotal	920 671	1 162 318
Pears		
Bon Chretien	2 027 081	2 513 635
Other cultivars	96 979	197 045
Subtotal	2 124 060	2 710 680
Peaches		
Clingstone	6 671 016	7 082 612
Freestone	941	2 305
Subtotal	6 671 957	7 084 917
Grand Total	9 716 688	10 957 915

DRIED FRUIT

PRODUCTION

The following table shows the production of controlled and uncontrolled dried fruit during the past three seasons:

Product	1972	1971	1970	1972/1971
	1 000 tons			%
Controlled fruit				
Lye-dipped sultanas	3,0	2,7	3,7	111
TS-raisins	7,6	7,6	6,9	100
Sultanas (sulphured)	0,9	0,9	0,7	100
Raisins	1,2	1,0	1,1	120
Currants	0,7	0,7	0,6	100
Prunes	1,8	1,8	1,8	100
Subtotal	15,2	14,7	14,8	103
Uncontrolled fruit				
Peaches	1,8	2,0	1,7	90
Apricots	1,2	1,0	1,0	120
Pears	0,8	0,4	0,6	200
Apples	0,2	0,2	0,1	100
Other	0,2	0,1	0,3	200
Subtotal	4,2	3,7	3,7	114
Grand total	19,4	18,4	18,5	105

Production of dried fruit in 1972 exceeded the 1971 production by about 5% or 1 604 tons. Controlled fruit increased by 480 tons, and the sharpest increases were those in the production of lye-dipped sultanas and raisins. The production of uncontrolled fruit rose markedly - by 584 tons or 14%. The production of dried pears and apricots increased, whereas that of peaches dropped.

At this stage it is difficult to estimate production for 1973, but it is expected that the level of the previous year will be maintained, especially since production of dried vineyard fruits along the Orange River is expected to increase. Vineyards along the Olifants River were harmed by a heat wave during November and December 1972, and the raisin and currant crops from this area are expected to be considerably smaller than in the previous year.

The Orange River area produced the largest tonnage of dried fruit in 1972, viz 12 455 tons, 12 279 tons of which were raisins and sultanas. The Tulbach area was the second most important production area, yielding 1 470 tons of prunes and 1 154 tons of uncontrolled dried fruit. Next came Ceres with 1 279 tons of fruit.

IMPORTS

South Africa is largely self-sufficient as far as dried fruit is concerned, but shortages of certain products are supplemented by imports from time to time. In 1972, 200 tons of currants were imported from Australia since production again did not satisfy the local demand, and 80 tons of prunes from the United States of America owing to a shortage in the size groups Large and Extra Large.

The most recent indications are that a more serious shortage of currants may be experienced this year, and it was therefore decided to mix all the available stocks of currants with small Thompson seedless raisins and make the mixture available to bakers. In view of a general shortage, world currant prices are very high and the price paid for imports would be higher than the local price. More or less the same is true in the case of prunes. At this stage, therefore, no imports are planned for 1973.

MARKETING

Local consumption of all types of dried fruit increased in 1972 from 10 848 to 11 167 tons - an increase of 3 per cent. Sales of controlled dried fruit over the past three years are shown in the following table:

Product	1972	1971	1970	1972/1971
	1 000 tons			%
Thompson seedless raisins	2,44	2,33	2,05	105
Lye-dipped sultanas	1,84	1,76	1,56	105
Sulphured sultanas	0,75	0,81	0,73	93
Raisins	1,02	0,98	1,14	104
Currants	0,96	0,95	0,90	101
Prunes	1,81	1,67	1,61	108
Total	8,82	8,50	7,99	104

With regard to publicity and market development it is planned to devote more attention to the Bantu market in 1973 to increase the local consumption of dried fruit.

EXPORTS

Exports of dried fruit declined further in 1972 due to the stock position. Numerous foreign orders could not be executed. The quantities of the main products exported are as follows:

Product	1972	1971	1970	1972/1971
	1 000 tons			%
Thompson seedless raisins	4,47	5,61	5,06	80
Other sultanas	0,85	1,57	2,23	54
Apricots	1,01	0,61	0,56	166
Peaches	0,65	0,33	0,43	197
Mixed fruit	0,66	0,52	0,69	127
Other products	0,30	0,11	0,20	272
Total	7,94	8,75	9,17	91

The United Kingdom is still the most important market, and imported 3 704 tons of fruit in 1972. It was followed by Japan with 1 008 tons, Canada with 870 tons and West Germany with 710 tons. Exports to the United Kingdom and Canada dropped considerably in 1972, whereas exports to Japan rose sharply.

PRICES

Because of a decline in world stocks, the overseas price of sultana types rose to unprecedented levels, and it is expected that producer realisations on sultanas as well as on other types will improve considerably in 1973. Advance prices to producers for 1973 were adjusted upwards, and consequently also the selling price to the packer. Payments to producers during the past two years and the advance price to be paid to producers for controlled fruit for 1973 are shown in the table below:

Product	1973 Advance payment	1972 Advance payment	1972 Deferred payment	1972 Total	1971 Advance payment	1971 Deferred payment	1971 Total
	c per kg						
Lye-dipped sultanas	15,8	14,1	6,3	20,4	13,5	2,4	15,9
Thompson seedless raisins	18,5	14,2	6,4	20,6	14,1	2,5	16,6
Sulphured sultanas	21,8	17,1	7,6	24,7	16,7	3,0	19,7
Currants	24,4	24,8	5,7	30,5	24,9	6,0	30,9
Raisins	23,7	20,3	2,7	23,0	20,2	2,9	23,1
Prunes	28,8	22,3	2,3	24,6	23,1	2,9	26,0

VITICULTURE

PRODUCTION

The total area under vineyards, the area under vineyards of 5 years and older, as well as the total wine production for the past two years, with estimates for 1973, are given below:

Item	1973	1972	1971	1973/1972 %
Total area (1 000 ha)	102,4	98,4	95,6	104
Area: 5 years and older (1 000 ha)	83,4	77,8	74,6	107
Percentage: 5 5 years and older	81	79	78	-
Wine production (million hl)	5,55	5,34	5,53	104

Notwithstanding relatively unfavourable production conditions during the 1972/73 season, the indications are at this stage that the 1973 wine crop will exceed that of the previous year by 4% and that it will even be slightly more than the record crop of 1971. This is ascribed to the increasing number of vines of 5 years and older.

The ratio good and distilling wine production during the past three years was as follows:

Item	1972	1971	1970	1972/1971
Good wine (million hl)	3,028	2,703	2,307	112
Distilling wine (million hl)	2,358	2,826	1,929	83
Ratio: Good wine / Distilling wine	1,284	0,957	1,196	-

The extent of good wine production in relation to distilling wine is determined on the one hand by the demand and on the other by weather conditions. There was a marked tendency to more good wine production during 1972.

IMPORTS

During the three years 1969 to 1971 the import value of wine and spirits increased by approximately 50%, from R1 million to R1,5 million. The most important increase occurred in the case of unfortified wines, with an increase of 62% in import value and 77% in volume. This indicates that imported products are competing on the domestic market at considerably lower prices. The chief suppliers of wine and spirits are France and Portugal.

DOMESTIC MARKETING

During 1971 the consumption of unfortified wine increased substantially compared with 1970, although the provisional indications are that a sharp decrease in the growth rate occurred in 1972. In comparison, the consumption of fortified wine reflects the opposite trend. The consumption of brandy declined further in 1972, but the rate of decrease was smaller than in the previous year. The consumption of wine spirit shows a very sharp rise compared with 1971, since it was freely available and replaced cane spirit in the preparation of products such as vodka, gin and liqueurs.

The percentage change in the domestic consumption of wine and spirits over the past few years, with estimates for 1972, appear in the following table:

Product	1972/1971 %	1971/1970 %	1970/1969 %
Unfortified wine	+ 3,5	+19,4	+ 5,6
Fortified wine	+ 8,0	- 0,7	+ 9,1
Sparkling wine	+ 3,5	+ 7,3	+ 8,9
Brandy	- 5,0	- 7,9	+13,7
Gin	- 13,0	-39,2	+ 2,8
Vodka	- 17,0	-16,7	+12,9
Liqueurs and other	- 22,0	-27,1	+25,1
Wine spirit	+154,0	+25,1	-58,3

EXPORT

The greater part of the South African exports of wine and brandy goes to the British market which in 1971 took up approximately 42% in value. Next is Canada with 30%. The share of the British market is steadily declining while the disposals on the Canadian market reflect a sound growth.

Unfortified wines are experiencing a steadily increasing demand in the export market. Although this trend has decided advantages, it can affect adversely the sale of fortified products and hence the consumption of surplus wine spirit.

The volume and value of South African wine and brandy exported during the three years 1969 to 1971 compare as follows:

Item	1971	1970	1969	1971/1970 %
Wine (hl)	123 388	109 810	129 714	112
Brandy (hl)	19 937	21 812	17 907	91
Total value (R1 000)	4 229	3 682	3 993	115

The stocks of the K.W.V., which is the principal exporter of wine products, are sufficient to meet the needs of the export market, although the entry of Britain into the E.E.C. gives rise to misgivings.

PRICES

The advance prices for distilling wine which are determined by the size of the expected surplus declared by the K.W.V., and the minimum prices to the trade for the past few years, compare as follows:

Item	1973	1972	1971	1971/1970
	R per hl @ 20%			%
Advance payment on distilling wine	7,30*	7,13	6,78	102
Minimum price to trade:				
Good wine	12,15*	12,12	10,86	100
Distilling wine	8,80*	8,80	8,80	100
Declared surplus	17	19	23	-

* Subject to ministerial approval

The bonus payable on wines which are suitable for the distillation of rebate brandy was fixed at R2,15 per kl for 1973, as against R1,29 for 1972.

CITRUS

PRODUCTION

Production statistics for oranges, grapefruit and lemons over the past three seasons, as well as the estimated production for 1973, are shown in the following table:

	1973	1972	1971	1970
	1 000 15 kg containers			
Oranges	34 000	34 167	28 139	31 371
Grapefruit	8 000	7 963	7 111	6 015
Lemons	1 500	1 266	1 070	896

The Northern and the Eastern Transvaal are still the most important orange-growing areas, the Eastern Transvaal and Swaziland the most important areas for grapefruit, and the Eastern Cape and Eastern Transvaal the main production areas for lemons.

LOCAL MARKETING

Fresh market sales

No significant increase in fresh market sales is expected in 1973. Sales of oranges on the fresh market in 1971 and 1972, as well as the estimated sales in 1973, are given below:

	1973	1972	1971
	1 000 10 kg containers		
Oranges	11 500	11 430	9 806
Grapefruit	750	758	802
Lemons	300	387	336

Factory sales

Sales of oranges, grapefruit and lemons to factories during the 1971 and 1972 seasons, as well as the estimated sales for 1973, are as follows:

	1973	1972	1971
	1 000 10 kg containers		
Oranges	16 500	15 701	9 786
Grapefruit	4 750	4 730	3 669
Lemons	450	450	648

It is considered that the stage has now been reached where existing factories can hardly take more citrus unless the marketing season is extended. Owing to poorer export possibilities and improved local sales, more processed products such as concentrated orange juice and grapefruit slices, are at present marketed locally.

MARKETING ABROAD

The indications are that slightly less citrus will be available for export during 1973 than 1972, mainly on account of hail damage. It is expected, however, that it will be possible to sell overseas the quantity which will be available, and that the entry of the United Kingdom into the E.E.C. will not materially affect marketing of the 1973 crop.

Although markets in the Far East, especially Japan, have a potential for growth, there are a number of problems - in the first instance with the Japanese quota system for oranges, and in the second with compliance with the strict phytosanitary regulations instituted by the Japanese importing authorities.

The quantities of oranges, grapefruit and lemons exported in 1971 and 1972 are given below, together with an estimate for 1973:

	1973	1972	1971
	1 000 15 kg containers		
Oranges	16 000	16 606	15 480
Grapefruit	4 000	4 709	4 349
Lemons	750	724	426

PRICES

The weighted average prices obtained locally for oranges, grapefruit and lemons in 1970, 1971 and 1972 were as follows:

	1972	1971	1970
	c per 10 kg container		
Oranges	48	45	45
Grapefruit	64	70	62
Lemons	87	71	68

The income (f.o.b.) from sales abroad was R32, R40 and R44 million in 1970, 1971 and 1972 respectively. It would be very optimistic to expect the record income obtained from exports during 1972 to be maintained in 1973. This exceptionally high income was the result of various interacting factors, including the dock strike.

GENERAL

The acceptability of the various citrus varieties is constantly investigated. At present there is a trend towards the growing of varieties which peel easily and have no pips. Constant research is also undertaken on the control of diseases.

BANANAS

PRODUCTION

Following on good rains and hot weather in all the production areas a very sharp rise in banana production persisted from July to the end of November 1972. During the week ended 25 November 1972 a record number of 98 768 units of 20 kg was received by the Board. Since the end of December, however, production has dropped sharply, and there has been a shortage of bananas. This is attributed mainly to the hot weather and the drought experienced in the production areas towards the end of last year, which entailed that bananas which would normally hang longer on the plants, had to be cut considerably earlier. Production is expected to remain low until about March/April, and thereafter, if weather conditions improve, to rise again.

The quantities of bananas received from local sources during the past year and during the preceding two years are shown below:

	1972/73	1971/72	1970/71	1972/73 / 1971/72
	20 kg units			%
First six pools	1 657 859	1 501 335	1 174 458	110
Season	-	2 892 436	2 025 247	-

IMPORTS

The quantity of bananas imported by the Board during the first six pools of 1972/73 is compared, in the table which follows, with the corresponding figures for the preceding two years:

Origin	1972/73	1971/72	1970/71
	1st six pools		
	20 kg units		
Mozambique	90 573	305 036	451 390
Northern Mozambique	-	-	8 850
Malagasy	-	-	930
Angola	-	-	961
Total	90 573	305 036	462 131

MARKETING

Under the Board's marketing policy two marketing methods apply in controlled areas. On the one hand the Board sells bananas which it has ripened at its own centres at a fixed price to a number of private distributors and through municipal markets. On the other, the Board sells green as well as ripe bananas by public auction on the municipal markets. The latter method applies within a radius of 100 miles of the Cape Town market, and in times of surpluses also on the Port Elizabeth market, whereas the fixed-price method applies in the rest of the controlled area.

Sharply rising production over the past few years has required that more and more bananas have to be sold by the open-market method (Cape Town), since sales in the fixed-price area are relatively constant, despite price adjustments from time to time.

In view of these problems the Board made a thorough study during 1972 of the existing distribution policy, and has already made certain changes in its marketing policy, aimed at obtaining a higher degree of flexibility, on the basis of this study.

The changes made by the Board to date are:

(a) The National Fresh Produce Markets of Pretoria, Johannesburg, Port Elizabeth, Bloemfontein and Kimberley are to be used as additional distribution points for ripe bananas;

(b) the Port Elizabeth market is also to be used as an open-market area for ripe bananas in times of surplus, but when supplies are normal or shortages are experienced a net floor price is to be fixed equal to the Board's selling price in the fixed-price area, plus transport costs from Wadeville to Port Elizabeth; and

(c) the Bantu markets are to be developed.

The Board is including the municipal markets as additional distribution points with the object of enlarging the market for bananas in the fixed-price areas. The Bantu markets also have considerable prospects, and this potential can be exploited profitably in times of peak production.

PRICES

Local prices

In the past the Board has sold bananas to distributors at a fixed price, and the distributors received a fixed margin, based on the consumer price recommended by the Board. Since the retailers have consistently complained that their profit margin on bananas was inadequate, the Board recently decided that only a selling price for ripe bananas at the Board's ripening centres is to be fixed, and that it is to be left to private distributors and the trade to determine their own margins.

Because of fluctuating production the Board's selling price has varied as follows since this new procedure was adopted:

Period	Selling price	
	Large	Medium
	c per 20 kg net	
18/10/72 - 17/12/72	310	295
18/12/72 - 7/ 1/73	236	221
8/ 1/73 - 14/ 1/73	315	300
15/ 1/73 -	345	330

According to surveys undertaken from time to time, the trade in most cases maintains the same price differences between the Board's selling prices and consumer prices as those which applied before the fixed trade margins were abolished.

The average gross proceeds and net payments to producers per 20 kg unit for the years 1969/70 to 1971/72 and for the first six pools of the years from 1970/71 to 1972/73 are shown below:

	1972/73	1971/72	1970/71	1969/70
	R per 20 kg			
Pools 1 to 6				
Gross proceeds	2,21	2,12	2,59	
Net payment	1,53	1,42	1,85	
Year				
Gross proceeds	-	2,14	2,88	2,12
Net payment	-	1,46	2,08	1,43

VEGETABLES

SALES ON THE FRESH PRODUCE MARKETS

The quantities of the more important vegetables sold on the nine principal markets during the period from July to December 1972 are shown in the table below. These sales are compared with the average sales figure for the corresponding months in the previous three years - 1969 to 1971 - which are used as a basis for comparison throughout.

Month in 1972*	Potatoes	Tomatoes	Cabbages	Onions	Green-beans
	(1 000 tons)				
July	27,3	7,9	6,6	4,1	0,7
	(30,9)	(10,4)	(6,5)	(4,8)	(1,3)
August	33,2	11,0	9,3	5,3	0,8
	(33,8)	(11,0)	(7,3)	(5,4)	(1,2)
September	23,7	7,8	8,3	5,2	1,1
	(35,2)	(11,8)	(7,9)	(6,0)	(1,4)
October	29,2	14,0	9,7	6,1	1,5
	(32,6)	(10,6)	(6,9)	(5,2)	(1,1)
November	27,8	12,3	6,7	5,0	1,0
	(35,5)	(12,3)	(6,5)	(5,1)	(1,3)
December	25,6	12,3	5,4	4,9	0,7
	(32,2)	(10,8)	(5,4)	(5,8)	(1,0)

* Figures in brackets are the three-year averages up to and including the month concerned

During the months July to December 1972 altogether 408,3 thousand tons of vegetables were sold on the nine main fresh produce markets (including potatoes), viz 8,3% less than the average sales for the preceding three years.

Sales of potatoes came to 166,6 thousand tons - 33 555 tons less than the average for the preceding three years. This represents a drop of 16,8% in potato sales on the nine markets over the last six months of 1972. The total mass of vegetables sold (excluding potatoes), however, increased by 0,2% in comparison with the average for the preceding three years.

The total value of vegetable sales (including potatoes) from July to December 1972 was about R35,1 million, which is an increase of 38,0% on the average of R25,5 million for the preceding three years. The total value of vegetables (excluding potatoes) rose by 30,6% on the three-year average.

The average prices of certain vegetables for the months from July to December 1972 are compared below with the average prices for the preceding three years:

Month in 1972*	Potatoes	Tomatoes	Cabbages	Onions	Green-beans
	(R per ton)				
July	62	161	37	170	216
	(55)	(86)	(34)	(78)	(130)
August	81	133	31	183	267
	(51)	(80)	(29)	(71)	(136)
September	117	180	24	134	143
	(56)	(99)	(24)	(67)	(116)
October	137	118	28	71	110
	(60)	(102)	(20)	(52)	(139)
November	94	93	25	64	89
	(53)	(95)	(18)	(46)	(102)
December	78	78	33	70	100
	(49)	(114)	(22)	(45)	(84)

* Figures in brackets are the three-year averages up to and including the month concerned

The average price of potatoes during the last six months of 1972 was consistently higher than during the corresponding period in the preceding three years. This rise in prices may be attributed mainly to a decrease in the offerings of potatoes on the market, which resulted from severe frost damage in the main winter cropping area, i.e. the Northern Transvaal.

CANNING

It is estimated that the total quantity of vegetables (including potatoes), canned during the period from July to December 1972 was about 49 675 tons, which was about 861 tons less than the average for the preceding three years. The gross value of vegetables canned during the same period in 1972 was 10,5% higher than the three-year average - R2,9 million as against R2,6 million.

EXPORTS

The quantity of vegetables, (including potatoes), exported during the last six months of 1972 is estimated at about 3 500 tons, as against an average of 3 852 tons for the corresponding periods of the preceding three years. This represents a decline of 9,1%. The estimated total proceeds from exports during this period was R246 000, as against an average for the preceding three years of R245 837 - an increase of 0,07%.

POTATOES

PRODUCTION

The total potato production in the Republic remained fairly constant during the past three years - although it was at a considerably higher level than during the preceding years. Plantings are decreasing however, as is clear from the following figures:

Year (Oct./Sept.)	1971/72	1970/71	1969/70	1971/72 / 1970/71 %
Area (ha)	43 882	46 585	49 699	94,2
Production (million 15 kg pockets)	39,719	39,143	39,442	101,5

In contrast with the first six months of 1972, when markets were completely glutted and prices were low, there was a shortage during the second half of the year - with consequent high prices. This was due chiefly to severe frost damage in the main winter cropping area, viz the Northern Transvaal, and to a decline in plantings in this area. The 1972 crop from the Northern Transvaal totalled 2,8 million pockets, as against 5,3 million the previous year.

With regard to the prospects for the first six months of 1973, it is expected that the Highveld crop, at present being marketed, will be considerably smaller than last year's crop of 16 million pockets as a result of the general drought. As the Highveld produces about 45% of the crop, it is expected that total production this year will probably not reach 30 million pockets, since production in other areas has also been affected by the drought and there may be a shortage of seed for winter production.

IMPORTS

Imports from neighbouring territories are permitted from time to time, according to the market position. The following quantities of table potatoes were imported during the past three financial years (Oct./Sept.):

	1971/72	1970/71	1969/70
	15 kg pockets		
Imports	49 500	203 375	143 600

MARKETING

Local marketing

Municipal markets account for approximately 90% of all potato sales in the controlled areas. Sales on these markets were as follows during the past three financial years:

Year	Sales	Value	Average proceeds
	15 kg pockets	R	c per 15 kg
1969/70	28 568 046	19 980 930	70
1970/71	29 492 860	21 848 796	74
1971/72	29 827 077	21 760 673	73

EXPORTS

The Potato Board, (as sole exporter), annually exports fair quantities of potatoes to established markets, and also tries to develop new outlets. Factors such as the self-sufficiency of traditional markets and increased rail and shipping tariffs, however, are progressively limiting export possibilities.

The following quantities of table potatoes and seed were exported by the Board during the past three financial years:

Year	Table potatoes	Seed	Total f.o.r. value
	15 kg units		R
1969/70	747 616	192 628	598 121
1970/71	562 663	254 465	535 402
1971/72	349 850	281 962	763 279

PRICES

The average prices of first grade (medium) potatoes on the Johannesburg market over the past three years are shown below:

Month	1971/72	1970/71	1969/70
	c per 15 kg		
October	65	112	90
November	69	115	70
December	61	107	63
January	49	80	45
February	39	67	37
March	44	62	41
April	55	75	65
May	66	70	63
June	75	80	88
July	95	73	102
August	134	64	97
September	185	65	113

ROOIBOS TEA

PRODUCTION

The area planted to rooibos tea and the intakes of tea by the Rooibos Tea Control Board since 1970, with estimates for 1973, are as follows:

Year	Area planted	Intakes
	Hectares	1 000 kg
1970	4 100	1 043
1971	4 750	439
1972	5 450	474
1973	7 650	725

Production statistics indicate that efforts to stimulate interest in the industry are achieving success. The increase in plantings is such that the Board is recommending that producers should preferably extend plantings on a more limited scale so that existing plantations may be given more intensive care, particularly in regard to fertilizer application, consolidation, and control of insect pests. Although production is already increasing in spite of serious harm by successive years of drought, it would appear at this stage that the marketing quota arrangement will have to be maintained until 1977, at which stage the accumulation of stocks can be commenced for the purpose of holding in reserve at least one year's consumption.

EXPORTS

Exports, although limited, show a sustained tendency to increase, and to curb this trend to a larger degree, the rebate of 4,5c per kg on supplies purchased for export has been abolished as from 1 January 1973. The quantities exported since 1970 and the value thereof, with estimates for 1973, are as follows:

Year	Exports kg	Value R
1970	32 926	13 530
1971	39 341	17 500
1972	49 950	23 500
1973	55 000	30 000

CONSUMPTION

Sales by the Board to registered packers show a downward trend. The anticipated decline during 1973 follows on the arrangement to reduce quotas by a further 5%, as from 1 January 1973, with total sales at present amounting to only 80% of the original allocation. Consumption shows a rising trend and this is made possible by packers for the Board virtually exhausting their operating reserves.

Sales by the Board, the yield thereof, and consumption since 1970, with estimates for 1973, compare as follows:

Year	Sales	Yield	Consumption
	1 000 kg	R	1 000 kg
1970	1 369	436 323	1 172
1971	1 236	499 392	1 298
1972	1 169	504 265	1 301
1973	950	450 000	1 291

STOCKS

Stocks in the hands of the trade are limited and at the close of 1972 the Board had only 194 750 kg of rooibos tea on hand, compared with 890 290 kg at the end of 1971. Stocks have been supplemented by the recovery of waste products but the position is such that the Board does not expect to have any stocks on hand at the end of 1973. With a view to the standardisation of rooibos tea, a bulk mixing machine was installed in 1972 and the Board is now in the position of being able to blend rooibos tea for packers on order.

PRICES

The approved price for A1 rooibos tea, the advance and final payments for S1 rooibos tea, and the total realisation per kg for the past few years, with estimates for 1973, are as follows:

Year	Packers' price Grade A1	Producer price Grade SI		
		Advance payment	Final payment	Total
	c per kg			
1971	44,00	20,00	13,00	33,00
1972	47,00	23,00	7,95	30,95
1973	52,00	27,00	9,25	36,25

With a view to stimulating plantings advance prices for the past few years have been consistantly increased. This in turn necessitated upward adjustment of the packers' price and prices in the retail trade.

LIVESTOCK

GRAZING CONDITIONS

The year 1972 may yet come to be known in agriculture as the year of contrasts. Conditions were exceptionally good during the first half, but since then the situation has gradually deteriorated.

The very favourable conditions, prevailing in fact since 1970, continued during the first half of 1972. Good cereal crops were harvested for the second year in succession, grazing was abundant and feed stocks were so large that, by the end of July 1972, 133 000 tons of lucerne hay from the previous crop had accumulated. A part of the Vanrhynsdorp district was the only area on the grazing distress list.

During the second half of 1972, spring and summer rains failed to materilise over large areas, and other areas had poorly distributed rains, often