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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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G.P.-S (L).

Contents

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CONSUMPTION

During the first five months of 1973, 19 877 tons of dry beans were consumed locally, as against a total consumption of 49 822 tons during 1972.

PRICES

It is estimated that carry-over stocks plus production will not be sufficient to supply the local demand and the Board has therefore decided against introducing floor prices this year.

The average prices for all cultivars were considerably higher during the first six months of 1973 than the prices obtained during 1972.

The weighted average producer prices for all grades during the period April to July of the past few years are given in the following table:

Cultivar	1973	1972	1971	1970	1969	1968	1973/1972
	R per 90 kg bag						%
Kidney beans	25,10	11,58	13,14	8,89	9,67	7,27	217
Small white beans	22,70	14,67	13,96	13,30	14,47	11,26	155
Speckled sugar beans	27,00	19,75	18,55	16,65	21,46	12,30	137
Yellow haricot beans	24,83	13,75	15,64	11,83	12,07	8,74	181
Brown haricot beans	24,00	12,50	13,16	10,06	11,41	7,51	192

LUCERNE HAY

STOCKS

The stock position in the 12 areas where compulsory co-operative singlechannel marketing applies in terms of section 102 of the Co-operative Societies Act was as follows during the past three seasons:

Item	1972/73	1971/72	1970/71
	Tons		
Initial stocks	119 789	24 634	-
Intake	88 563	201 364	185 972
Local sales	208 352	106 209	161 338
Exports	-	-	-
Final stocks	-	119 789	24 634

PRODUCTION

The sharp drop during the past season in the commercial production of lucerne hay in the areas where single-channel marketing applies may be ascribed chiefly to poor climatic conditions, although surplus conditions in the industry during 1971/72 and the transfer to more profitable crops along the Orange River were also contributory factors. The production of lucerne hay is expected to show an upward trend during the present season and the crop is expected to be about 130 000 tons.

MARKETING

As a result of the poor grazing conditions during the last half of 1972, lasting until March 1973, the demand for roughage increased sharply. Sales of lucerne hay reached record heights during 1972/73 and the surplus conditions at the end of 1971/72 were transformed into a shortage. Although the production of the current season should nearly equal the 1969/70 and 1970/71 crop, there is at present a keen demand for proteins and at the end of the current season there will probably again be no stocks on hand.

GENERAL

The Lucerne Industry Committee of the S.A. Agricultural Union recently decided to institute a thorough investigation in order to try to find a solution to the marketing problems with which the industry is faced.

SUGAR-CANE

PRODUCTION

During the 1972/73 season ended 30 April 1973, the intake of sugar-cane was 16 807 000 tons, which yielded about 1 915 000 tons of sugar. This surpasses the previous seasons's production, which set a record. The comparable figures for 1971/72 are 16 751 000 and 1 865 000 tons, respectively.

Production is expected to decrease in 1973/74, following the unfavourable weather conditions in Natal during the past summer. A bigger crop is expected in the Pongola and Malelane areas where sugar is cultivated under irrigation and is less affected by unfavourable weather conditions, and furthermore, a larger area will be harvested this year.

CONSUMPTION

Local sales amounted to 909 052 tons during the 1972/73 season, an increase of 38 159 tons or 4,38%, as against the previous season. The faster rate of growth in sales, which has prevailed since 1968/69, was maintained during the past season. Sales were again at a high level during the first two months of 1973/74 and local sales are expected to increase to 949 000 tons this year - an anticipated increase of 39,948 tons or 4,39%.

EXPORTS

In 1972/73 the International Sugar Association decided to do away with quota arrangements and the industry was therefore in a position to make the most suitable arrangements for the sale of its record crop. Moreover, prices were good and the record price level of 1963 was equalled. Consequently export earnings from sugar rose to R107 million, as against R85 million in 1972/73.

HORTICULTURE

DECIDUOUS FRUIT

PRODUCTION

During the past season the production of deciduous fruit was seriously affected by drought conditions. The Hex River Valley, where the production of table grapes was about 25% lower than in 1971/72, was particularly hard hit, and production in the Ceres, Montagu/Koo and the Langkloof areas also decreased considerably. Appreciably lower quantities were marketed locally and exported.

Local marketing

The Deciduous Fruit Board controls the local marketing only of peaches, plums and grapes produced in certain parts of the Western Cape. Recent attempts to promote sales again showed that there is a good demand for better quality fresh fruit on the local market.

Although the local marketing of apricots, pears and apples is not controlled, the Board placed an embargo on the sale of standard grade pears and on undergrade apples and pears during certain periods and in specified areas, in an attempt to raise the quality of offerings.

During the first six months of 1973 about 58 908 tons of deciduous fruit, excluding quinces, nectarines, prunes and cherries, were offered on the nine major fresh produce markets, as against an average of 63 170 tons during the corresponding period of the previous three years. This drop of 4 262 tons (6,7%) may be ascribed chiefly to the lower offering of apples, viz 3 422 tons. According to the following table, grapes were the only product in respect of which the total offering during the first six months of 1973 was higher than the average offering during the previous three years.

The quantity of deciduous fruit sold monthly from January to June 1973 on the nine major fresh produce markets, and the average sales during the corresponding months of the previous three years - 1970 to 1972 - are shown below:

1973*	Apples	Pears	Peaches**	Plums	Apricots	Grapes
	'00 tons					
January	10,8	15,9	54,8	8,1	,4	18,8
	(8,6)	(7,2)	(42,9)	(8,0)	(,6)	(11,1)
February	40,0	19,2	37,3	2,1	***	26,7
	(27,3)	(21,4)	(44,6)	(5,3)	-	(24,7)
March	82,5	14,8	14,4	,8	-	26,8
	(82,0)	(20,4)	(18,4)	(1,9)	-	(27,0)
April	63,1	7,2	,3	-	-	22,2
	(73,0)	(13,7)	(1,3)	(,3)	-	(18,9)
May	57,1	7,4	-	-	-	12,7
	(70,8)	(11,4)	(,1)	-	-	(14,4)
June	34,6	6,6	***	-	-	4,6
	(60,6)	(10,7)	-	-	-	(5,0)

*The figures in brackets represent the three-year average for the month concerned
**Excluding nectarines
***Under 250 kg

Local prices

The average market prices for the months January to June 1973 compare as follows with the average prices during the corresponding period of the preceding three years - 1970 to 1972:

1973*	Apples	Pears	Peaches**	Plums	Apricots	Grapes
	R per ton					
January	146,4	108,5	120,7	104,0	117,1	168,6
	(124,2)	(101,7)	(104,6)	(96,6)	(105,4)	(152,0)
February	135,5	112,2	111,9	125,8	***	140,6
	(118,0)	(82,7)	(86,2)	(102,4)	-	(128,6)
March	108,4	116,2	153,9	135,9	-	136,6
	(88,1)	(80,1)	(103,9)	(105,1)	-	(126,7)
April	125,5	137,6	173,6	-	-	142,9
	(95,0)	(90,2)	(95,0)	(66,6)	-	(133,6)
May	148,0	148,7	-	-	-	166,7
	(96,8)	(97,7)	(95,2)	-	-	(122,3)
June	159,7	133,1	***	-	-	138,6
	(101,7)	(104,4)	-	-	-	(122,3)

* The figures in brackets represent the three-year averages for the month concerned
** Excluding nectarines
*** Under 250 kg

As the above table shows, the average monthly prices of all the products concerned were higher throughout from January to June 1973, in comparison with the average prices during the corresponding period of the preceding three years.

EXPORTS

Exports of the various types of deciduous fruit during the 1972/73 season, together with the corresponding figures for the 1971/72 season, are shown below:

	Exports (cub. metres)		1972/73 / 1971/72
	1972/73	1971/72	%
Apples	416 085	487 856	85
Pears	70 404	80 404	88
Grapes	101 792	131 829	77
Peaches	4 587	6 440	71
Plums	5 241	9 493	55
Apricots	222	464	48
Total	598 331	716 486	84

It is apparent from these data that the total volume of deciduous fruit exported during the past season was 16% lower than the volume exported during the previous season. Exports of all types of fruit decreased with apricots and plums showing the biggest drop.

The most important single factor affecting exports is the entry of the United Kingdom into the European Economic Community and the imposition of compensatory levies, which will apply during the period when the early varieties of pears and apples usually arrive.

It was decided in the course of high-level discussions to continue exporting as before in order to retain a portion of this market for the future, when compensatory levies will no longer apply. A further consideration was the danger of reduced prices if the total quantities available for export were to be exported over a shorter period.

Attention is still being given to diversification and development of markets, particularly to the expansion of sales in West Germany, which is considered an important potential outlet. The handling of fruit for the export market is also receiving special attention.

A number of large-scale trials are also being carried out in connection with the pre-cooling of grapes in inland areas as soon as possible after the fruit has been picked, and the grapes are now palletised in the production area for transportation to the harbour. In one trial grapes are to be shipped in pallets. Virtually all pears and apples 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 mechanical means.

EXPORT PRICES

The prices of deciduous fruit on the overseas market were considerably better during the past season than during 1971/72. This may be ascribed chiefly to the exceptionally poor crops in competitor countries. Although the biggest market for South African export fruit, viz the United Kingdom, entered the EEC during the past season and South African apples and pears were subject to a compulsory high compensatory levy for a period at the beginning of the marketing season, gross earnings on each carton of apples and even pears were considerably higher than last season.

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 1971/72 and the 1972/73 season, is shown in the following table:

Product	1972/73	1971/72	1972/73 / 1971/72
	Tons		%
Apricots			
Bulida	9 299	10 697	87
Royal and Peeka	3 573	4 403	81
Total	12 872	15 100	85
Pears			
Bon Chrétien	48 211	41 982	115
Other cultivars	8 516	5 294	161
Total	56 727	47 276	120
Peaches			
Clingstone	106 910	109 011	98
Freestone	34	27	126
Total	106 944	109 038	98

The quantity of apricots accepted during the 1972/73 season was about 15% less than during the previous season. The decrease is ascribed to drought conditions together with a lack of irrigation water, which led to the apricots' being smaller than usual. In addition there was a big demand for Royal apricots for drying. On the whole the quality of the Bulida apricots was good, while that of the Royals was only fair, partly because of poor colour and soft texture.

The quantity of Bon Chrétien pears accepted during the 1972/73 season was 15% more than during the 1971/72 season. This increase may be ascribed chiefly to a heavy and well-distributed bearing, as well as to an increase in the yield from young trees, another factor being that many young trees came into bearing. Although the pears on the average, were considerably smaller than usual, the quality generally was very good. The intake of pears of cultivars other than Bon Chrétien increased appreciably.

Contrary to expectation, the 1972/73 crop of clingstone peaches was smaller than that of the previous season. The decrease of 2% may be ascribed chiefly to drought conditions and to the lack of irrigation water. Apart from the early cultivars, the peaches were considerably smaller than usual. Moreover, there was a bigger demand for clingstone peaches for fresh consumption. The quality of the peaches was very good in general, except in the case of the Kakamas peaches, the colour of which was often poor.

It is impossible at this stage to make a reliable estimate of expected production for the coming season. Rain and cold and wet conditions set in at a late stage, after some trees had started blossoming very early.

PRICES

The fixed minimum farm prices for apricots, pears and clingstone peaches for the two seasons following 1971/72 and the average farm prices (after the deduction of levies) received by producers for their deliveries, were as follows:

Product	1972/73	1971/72
	R per ton	
Bulida apricots		
Minimum prices:		
Canning grade	68,00	63,00
Jam grade	42,00	41,00
Average farm prices	66,91	60,36
Royal and Peeka apricots		
Minimum price:		
Canning grade	68,00	65,00
Jam grade	44,00	43,00
Average farm price	66,76	62,45
Bon Chrétien pears		
Minimum price:		
Canning grade	56,00	51,00
Average farm price:	55,01	48,28
Clingstone peaches		
Minimum price:		
Canning grade	75,00	64,50
Average farm price	74,09	61,20

GROSS FARM VALUE

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

Product	1972/73	1971/72
	R	
Apricots		
Bulida	622 152	645 653
Royal and Peeka	238 527	275 018
Total	860 679	920 671
Pears		
Bon Chrétien	2 652 098	2 027 081
Other cultivars	248 564	96 979
Total	2 900 662	2 124 060
Peaches		
Clingstone	7 920 546	6 671 016
Freestone	1 219	941
Total	7 921 765	6 671 957
Grand total	11 683 106	9 716 688

DRIED FRUIT

PRODUCTION

Virtually all the dried fruit produced in 1973 had been harvested by the end of July, and exceeded production in 1972 by almost 500 tons. The production of all controlled fruit rose by nearly 1 000 tons, but the production of uncontrolled fruit was 500 tons lower than during the previous year.

As had been expected, the production of Thompson seedless raisins rose by almost 4 000 tons, whereas that of lye-dipped sultanas dropped by more than a half. During November 1972 heat waves did serious damage to the currant vineyards, with the result that the production of currants fell sharply. The extremely low production of prunes may also be ascribed to unfavourable weather conditions.

The production of controlled and uncontrolled dried fruit during the past three years is given below:

Product	1973	1972	1971	1973 / 1972
	1 000 tons			%
Controlled dried fruit				
Sultanas				
Thompson seedless raisins	11,4	7,6	7,6	150
Lye-dipped	1,4	3,0	2,7	47
Sulphured	1,1	0,9	0,9	122
Raisins	0,9	1,2	1,0	75
Currants	0,5	0,7	0,7	71
Prunes	0,9	1,8	1,8	50
Subtotal	16,2	15,2	14,7	107
Uncontrolled dried fruit				
Peaches	1,6	1,8	2,0	89
Apricots	1,0	1,2	1,0	83
Pears	0,8	0,8	0,4	100
Apples	0,1	0,2	0,2	50
Other	0,2	0,2	0,1	100
Subtotal	3,7	4,2	3,7	88
Grand total	19,9	19,4	18,4	103

Although the damage to currant vineyards in the Western Cape caused a further drop in the production of currants in that area, the campaign to encourage production along the Orange River showed good results and it was decided to launch a similar campaign along the Olifants River later in the year.

The production of uncontrolled dried fruit in Citrusdal is expected to expand when the first co-operative drying yard is established. This co-operative will also handle, on a smaller scale, vineyard fruit from the Olifants River area.

IMPORTS

Althought it is necessary to import large quantities of prunes, currants and apple rings, only 125 tons of prunes and about 10 tons of apple rings have been imported so far. There is a world-wide shortage of these kinds of dried fruit and the present prices are so high as to discourage importation. No further imports during the rest of the year are anticipated.

DOMESTIC MARKETING

Preliminary sales figures show that local sales of Thompson seedless raisins and lye-dipped sultanas have been considerably higher than during the corresponding period last year. Sales of sulphured sultanas, prunes and stoned prunes have been slightly lower at this stage than last year.

The Dried Fruit Board has decided that, in view of the low currant production, currants would be offered for sale mixed with small Thompson seedless raisins, and not sold unmixed.

With regard to uncontrolled fruit, sales of peaches, apple rings and mixed fruit rose, but there was a drop in apricot and pear sales.

EXPORTS

It is estimated that total exports of dried fruit will be considerably higher in 1973 than they were during the previous year, and that Thompson seedless raisins will be almost entirely responsible for the increase. The increase in the crop of Thompson seedless raisins entails that approximately 3 000 tons more will be available for export.

PRICES

An estimate of world stocks of sultanas made at the International Sultana Conference in London showed that despite the large crops expected in the northern hemisphere, there would be a world shortage of about 38 000 tons. It is therefore expected that the current high overseas prices for sultana types will at least be maintained in the foreseeable future. As a result of the high prices realised on the overseas markets, a bonus equal to 10% of the advance payment was paid out in June 1973 to all producers of Thompson seedless raisins.

VITICULTURE

PRODUCTION

The total area under vines, the area under vines of 4 years old and older, the total wine production for the last two years and a crop estimate for 1973, are given below:

Item	1973	1972	1971	1973/1972 %
Total area ('000 ha)	104,1	98,0	95,3	106
Area: 4 years and older ('000 ha)	83,5	77,5	74,0	108
Percentage: 4 years and older	80	79	78	-
Wine production (million hl)	5,45	5,35	5,53	102

Although the number of vines 4 years old and older has increased by 13% since 1971, wine production has dropped by 1,3%. This decrease in the crop over the past two years was caused by unfavourable weather conditions. Initial expectations that the 1973 crop would equal or even surpass the record crop of 1971 were therefore not realised. The area under vines 4 years old and older is expected to increase to 84 600 ha in 1974.

The ratio of good - wine production to distilling-wine production during the past three years was as follows:

	1972	1971	1970	1972/1971 %
Good wine (million hl)	3,017	2,703	2,307	112
Distilling wine (million hl)	2,334	2,826	1,929	83
Ratio of good wine to distilling wine	1,293	0,597	1,196	-

In 1972 production of good wine was proportionally far greater than that of distilling wine, and the trade bought a record quantity of good wine during that year. As the consumption of unfortified wine levelled off in 1972, a larger supply of good wine was carried over to 1973 by co-operative wineries. If it eventually becomes impossible to sell good wine as such, the wineries will have to transfer it to the distilling wine pool.

IMPORTS

Imports of wine and of spirits derived from the vine are given in the following table:

Product	1972	1971	1970	1972/1971
	R'000			%
Unfortified wine	410	491	449	84
Fortified wine	97	112	70	87
Sparkling wine	179	172	149	104
Brandy	163	168	175	97
Liqueurs	482	513	447	94
Total	1 331	1 456	1 290	91

After increasing by an average of over 20% annually from 1969 to 1971, the total value of imports showed a marked drop of 9% in 1972, in comparison with the previous year. In contrast with a big drop (13%) in fortified wine imports, the consumption of the local product reflects a rise of 7,6%.

DOMESTIC MARKETING

After a sharp increase in the consumption of unfortified wine in 1971, the consumption of this product showed little growth in 1972. The demand for fortified wine rose considerably(7%) in 1972. The consumption of brandy, gin, vodka and liqueurs is still declining, although the rate of negative growth has decreased in comparison with the previous year. Wine spirits were more freely available in 1972, and this was the reason for the sharp increase in consumption.

The percentage change in the domestic consumption of wine and spirits over the past three years is given below:

Product	1972/71	1971/70	1970/69
	%		
Unfortified wine	+ 0,6	-19,4	+ 5,6
Fortified wine	+ 7,6	- 0,7	+ 9,1
Sparkling wine	+ 3,8	+ 7,3	+ 8,9
Brandy	- 4,2	- 7,9	+13,7
Gin	-12,5	-39,2	+ 2,8
Vodka	-16,4	-16,7	+12,9
Liqueurs	-15,6	-27,1	+25,1
Wine spirits	+98,7	+25,1	-58,3

EXPORTS

Although the volume of exports of wine and brandy declined by 5% in 1972, compared with the previous year, export earnings increased by 10,4%. A world-wide increase in the demand for and the prices of wine is being experienced and although the Republic takes advantage of shortages on the world market as far as possible, it is handicapped in several respects. The most important drawback is that there is no shortage of fortified wines and spirits abroad, and South Africa's export products consist chiefly of fortified wines and spirits, owing to the fact that the K.W.V. handles the surplus production (distilling wine). In the second place, owing to a fairly recent shift in demand, the overseas market is experiencing a shortage chiefly of red wines. For the present the South African wine industry cannot exploit this shortage to the full and still keep the local market supplied. In the third place the overseas demand is chiefly for cheap vins ordinaires, at prices which do not make exports in this category profitable for South Africa.

The K.W.V. is the chief exporter of South African wine products and at present there is strong domestic pressure on its stocks of marketable red wines of high quality. Notwithstanding the fact that the distilling wine crop was considerably smaller, its stocks are adequate for supplying the requirements of the established markets.

PRICES

The most important price trends in the wine industry over the past three years are reflectd in the table below:

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

CITRUS

PRODUCTION

The production figures for oranges, grapefruit and lemons for the past three seasons, as well as the estimated production for 1973, are as follows:

	1973	1972	1971	1970
	1 000 15 kg containers			
Oranges	40 000	38 623	31 018	33 680
Grapefruit	8 800	8 500	7 448	6 327
Lemons	1 700	1 622	1 392	1 249

The production of Valencia oranges in the Northern and Eastern Transvaal is still increasing, as is the production of lemons in the Eastern Cape and Eastern Transvaal.

LOCAL MARKETING

Fresh market sales

Sales of oranges on the fresh market increased by about 2 million containers during 1972 and a further rise is expected in 1973. This may be ascribed largely to the increase in the demand for citrus in the rural and Bantu areas.

Particulars of sales of citrus on the fresh market during 1971 and 1972, and estimated sales for 1973, are given below:

	1973	1972	1971
	1 000 10 kg containers		
Oranges	13 000	11 805	9 806
Grapefruit	850	792	802
Lemons	350	394	336

Factory sales

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

	1973	1972	1971
	1 000 10 kg containers		
Oranges	16 000	15 359	9 786
Grapefruit	4 800	4 673	3 669
Lemons	400	444	649

Fewer Navel and midseason oranges were delivered to factories during 1973 than during the previous season. An increase however, is expected in the delivery of Valencias and grapefruit.

In order to extend the marketing season, producers were encouraged by means of additional financial reward to leave fruit, in orchards specially selected for the purpose, longer on the trees. Farmers are expected to respond favourably to this measure, which will certainly enable factories to produce juice of a better quality.

MARKETING ABROAD

It is anticipated that less citrus will be exported in 1973 than in 1972, and that it will be possible to sell overseas the quantity available. The quality is about the same as last season's, but on the whole, the fruit is slightly smaller as a result of weather conditions.

The major portion of the annual citrus exports is still sold on the traditional markets, viz the United Kingdom, Germany, France, Holland and Belgium. Although a big potential market for citrus exists in Japan, it has not been possible to exploit this market to the full, owing to the phytosanitary requirements of the Japanese import authorities.

The quantities of oranges, grapefruit and lemons exported during 1971 and 1972, together with an estimate for 1973, may be tabulated conveniently as follows:

	1973	1972	1971
	1 000 15 kg containers		
Oranges	16 500	16 658	15 480
Grapefruit	4 500	4 743	4 349
Lemons	700	724	426

PRICES

The weighted average prices obtained on fresh produce markets for oranges, grapefruit and lemons in 1970, 1971 and 1972, are listed in the following table:

	1972	1971	1970
	c per 10 kg container		
Oranges	48	45	45
Grapefruit	70	70	62
Lemons	88	71	68

The weighted average prices obtained overseas for oranges, grapefruit and lemons in 1970, 1971 and 1972, are given in the following tabulation:

	1972	1971	1970
	c per 15 kg container		
Oranges	309	281	245
Grapefruit	305	376	292
Lemons	576	386	298

It is estimated that the income (f.o.b.) from sales abroad will be R44 million in 1973, as against R40 and R44 million in 1971 and 1972, respectively. Although slightly less citrus fruit is expected to be exported this season than last year, it is estimated that the income will be on the same level as last season, owing to the realisation of a higher unit price.

GENERAL

During the 1972 season considerable difficulties were encountered with regard to sheepnose in grapefruit, particularly in Italy. The problem assumed such proportions that inspectors of the Division of the Inspection Services investigated the matter in situ. During the present season, however, there have been no noteworthy difficulties in this respect.

BANANAS

PRODUCTION

Fairly dry conditions towards the end of the summer of 1972/73, together with hail damage in the Eastern Lowveld and wind damage in the Tzaneen region, caused banana production to drop suddenly in January 1973 and to remain at a fairly low level up to the end of July. After that the normal seasonal rise in production occurred and the weekly offering has been at more or less the same level as during the corresponding period of the previous year.

The petal fall in February/March 1973 was very promising and the indications are that record quantities of bananas will again be marketed from about September 1973. In contrast with the 1972 season when banana production reached an exceptionally high peak during November/December and then declined sharply, production is expected to be more evenly spread during the coming summer months, on account of the petal fall from February onwards and the favourable weather conditions.

The quantities of bananas received from local sources during 1972/73 compare as follows with those of the preceding two years:

	1972/73	1971/72	1970/71	1972/73 / 1971/72
	20-kg units			%
Season	2 653 300	2 892 436	2 025 247	92

The estimated area under bananas in the Republic during the past three seasons was as follows:

	1972	1971	1970	1972 / 1971
	ha			%
Area	6 340	6 220	5 880	102

IMPORTS

The quantities of bananas imported by the Board during the past three years are reflected in the following table:

Origin	1972/73	1971/72	1970/71
	20 kg units		
Mozambique	223 400	305 036	451 390
Northern Mozambique	-	-	8 850
Malagasy	-	-	930
Angola	-	-	961
Total	223 400	305 036	462 131

Imports from Swaziland are not shown separately, since the biggest producer there is a member of a co-operative registered in the Republic and his production is therefore included under local production. Since the other producers in Swaziland supply only small quantities of bananas to the Board, their deliveries are also included under local production.

MARKETING

It was mentioned in the February 1973 issue that the Board had made certain changes in its marketing policy for the sake of greater flexibility. Although the long-established policy of supplying bananas to a number of private distributors at a fixed price and selling by auction on the Cape Town market is being continued, the national fresh produce markets at Pretoria, Johannesburg, Port Elizabeth, East London and Kimberley have also been included as additional outlets for ripe bananas.

The Pretoria market functions as an ordinary wholesale distributor and obtains stocks from the

Board at fixed prices. The Johannesburg market is used chiefly as a link between the Board and the Bantu markets on the Rand. The Kimberley, East London and Port Elizabeth markets are controlled-supply markets, where the Board sells bananas at target prices. When determining the fixed price in the north and the target prices on the other markets, the surplus quantities that have to be sold on the Cape Town market and the prices obtained there in the open market are taken into account.

PRICES

At present the Board fixes only a selling price for ripe bananas at its ripening centres and leaves it to private distributors and the trade to determine their margins.

The Board's selling price in the fixed-price area has fluctuated as follows since October 1972:

Period	Board's selling price		Wholesale selling price		Average consumer price
	Large	Medium	Large	Medium	
	c per 20 kg				
18/10/72-17/12/72	310	295	360	350	440
18/12/72-7/1/73	236	221	270	255	360
8/1/73-14/1/73	315	300	365	350	460
15/1/73-10/3/73	345	330	400	380	500
11/3/73-17/3/73	380	365	435	420	540
18/3/73-onwards	420	405	490	470	600

The average gross yield and net payments to producers per 20 kg unit for the years 1969/70 to 1972/73 were as follows:

	1972/73	1971/72	1970/71	1969/70
	R per 20 kg			
Gross yield	2,60	2,14	2,88	2,12
Net yield	1,88	1,46	2,08	1,43

VEGETABLES

SALES ON FRESH PRODUCE MARKETS

The quantities of the more important types of vegetables, including potatoes, sold on the nine principal markets during the period January to June 1973, are shown in the table below. These sales are compared with the average sales figures for the corresponding months of the previous three years, viz 1970 to 1972, which are used throughout as a basis for further comparison.

Month in 1973*	Potatoes	Tomatoes	Cabbages	Onions	Green beans
	1 000 Ton				
January	32,0	12,9	5,6	5,3	0,9
	(29,9)	(8,5)	(4,2)	(5,3)	(0,7)
February	26,9	8,4	5,5	4,0	0,9
	(36,3)	(9,2)	(4,6)	(5,7)	(0,9)
March	27,8	9,1	5,5	4,4	1,1
	(40,4)	(10,7)	(5,1)	(6,1)	(1,2)
April	23,9	8,6	6,9	3,8	1,4
	(32,3)	(8,4)	(4,8)	(5,3)	(1,2)
May	34,2	12,8	10,1	4,9	1,8
	(33,5)	(9,2)	(5,8)	(4,7)	(1,3)
June	28,3	12,7	8,6	4,7	1,4
	(33,4)	(9,8)	(7,1)	(4,9)	(1,3)

* Figures in brackets are the three-year averages for the respective month

During the months January to June 1973 a total of 476,6 thousand tons of vegetables was sold on the nine principal fresh produce markets, which is 14,2% more than the average sales during the preceding three years.

The total value of vegetable sales during the period January to June 1973 was about R34,6 million, which is an increase of 58,7% compared with the average of R21,8 million for the preceding three years.

Sales of potatoes on the nine principal fresh produce markets amounted to 173,2 thousand tons during the first six months of 1973, which is 32 907 tons or 16% less than the average for the preceding three years. The total value of potato sales was R16,2 million during this period, which means a rise of almost 100% in comparison with the average of R8,1 million for the preceding three years.

The average prices of certain types of vegetables for the months January to June 1973 compare as follows with the average prices for the corresponding months over the previous three years:

Month in 1973*	Potatoes	Tomatoes	Cabbages	Onions	Green beans
	R per ton				
January	77	89	44	109	118
	(39)	(95)	(24)	(41)	(100)
February	87	112	41	159	113
	(33)	(89)	(29)	(44)	(105)
March	41	111	38	137	91
	(33)	(85)	(31)	(50)	(99)
April	124	145	32	163	73
	(43)	(108)	(32)	(68)	(77)
May	102	114	28	182	77
	(43)	(117)	(30)	(83)	(93)
June	87	81	25	153	85
	(49)	(124)	(44)	(100)	(132)

* Figures in brackets are the three-year averages for the respective month

CANNING

It is estimated that the total quantity of vegetables (including potatoes) canned during the period January to June 1973 amounted to about 58 050 tons, which is about 689 tons less than the average quantity for the preceding three years. If the figures for the farm value of the vegetables canned during the two periods concerned are compared, however, it will be seen that the farm value in both cases was about R2,3 million.

EXPORTS

The quantity of vegetables (including potatoes) exported during the first six months of 1973 was estimated at about 24 800 tons, as against an average of 24 952 tons for the corresponding period of the preceding three years. This represents only a slight decrease, but the estimated proceeds were maintained at about the same level, viz R1,3 million.

POTATOES

PRODUCTION

In contrast with the first six months of 1972, when conditions of complete oversupply prevailed on the markets owing to the large summer crops, there was a moderate shortage virtually throughout the corresponding period of this year. The chief reason for this drop in the offering was the unfavourable growing conditions (drought and exceptionally high temperatures) during the growing season of the last Highveld crop. The result was that the estimated production in this region this year was just under $10\frac{1}{2}$ million x 15 kg pockets as against 16 million pockets last year. This means a 34% drop in production, although there was only a 10% decrease in plantings, which again underlined the effect weather conditions in the Republic can have on production. Quality problems appeared early in the Highveld season. Secondary growth, moth damage, wilting, glassiness, etc., were observed as early as January. As a result of this the rate of marketing had to be stepped up considerably, particularly from March onwards.

The crop was also considerably smaller in the chief summer potato-growing subregion of the Western Cape, owing to drought and the lack of irrigation water. Natal and the North-Western and Eastern Free State produced bigger crops.

IMPORTS

No table potatoes were imported during the first six months of 1973. In any case potatoes are normally imported from neighbouring states only during the second half of the year, if the local supply position warrants it.

As regards seed potatoes, it is hoped that the establishment of the joint foundation seed potato scheme of the Department of Agricultural Technical Services and the Board (which has already reached the production stage) will result in the Republic becoming largely self-sufficient. This would enable the Republic to save about R800 000 a year in foreign exchange, quite apart from other equally important advantages.

LOCAL MARKETING

About 90% of the sales of potatoes in the controlled areas are effected by the municipal markets. During the first six months of the year 12,6 million x 15 kg units to the value of R17,9 million were sold on municipal markets in the controlled areas, as against 15,1 million x 15 kg units to the value of R8,3 million during the corresponding period of last year. These figures underline the fact that when record quantities are marketed the total proceeds for producers are often considerably lower than they are during years when the markets are fairly and/or moderately undersupplied.

As far as the offering of potatoes for the rest of the year goes, the indications at present are that markets should be well supplied. Damage to the winter crop, however, a large part of which is still at the production stage, could change the picture completely, as in fact happened last year.

EXPORTS

Whereas last year's record summer crop coincided with a world surplus and a self-sufficiency on certain traditional export markets and exports were consequently relatively small as a result, the opposite has been true this year. A large number of overseas markets showed exceptionally keen interest. For instance, Mauritius, which took no table potatoes from the Republic last year, took a relatively large tonnage at a high price level. The total figure for table potato exports for the first six months of the year is higher than the figure for the corresponding period of last year, viz 257 000 x 15 kg (f.o.b./f.o.r. value R452 000) against 127 000 x 15 kg (f.o.b./f.o.r. value R103 000) in 1972. In view of the domestic supply and price position, enquiries from markets other than the traditional markets had to be refused at one stage since exporting at times when the local markets are actually undersupplied is not considered to be in the best interests of the industry as a whole.

As regards the next six months, it is expected that exports will be on a limited scale only. Enquiries about the importation of large quantities of potatoes have been received from South America, but in view of the high price that would have to be quoted, it is doubtful whether potatoes will be exported in any considerable quantities.

The quantity of seed potatoes exported was considerably lower during the first six months of the year than during the corresponding period of last year, viz 167 000 x 15 kg units compared with 247 000 x 15 kg units. The domestic shortage and the high prices paid for seed potatoes were probably contributory factors. As in the case of table potatoes, the volume of exports of seed potatoes is expected to be small during the second half of the year.

PRICES

When the summer crops reached the market at the beginning of the year, market prices were more or less at the same high level as at the close of the preceding winter season. Comparative figures for the monthly average prices for first grade (medium) potatoes on the Johannesburg market - the leading market - are given below for the first six months of this year and for the previous year:

Month	1972	1973
	c per 15 kg	
January	49	119
February	39	123
March	44	136
April	55	186
May	66	162
June	75	134

The low 1972 price is ascribed to the glut, while the 1973 prices were realised when there was a moderate shortage on the markets. It is expected that during the next six months market prices will also be maintained at a fairly high level.

ROOIBOS TEA

PRODUCTION

Prevailing weather conditions and labour problems will inevitably effect future trends in the industry.

Drought conditions are resulting in more intensive methods of cultivation. New plantings are established only under best possible conditions so that they can be given intensive care. Unless conditions improve expansion will only be minimal. Moreover, a shortage of tea seed is already creating problems which are curbing expansion of production. The present labour problems have resulted in producers concentrating on the mechanisation of production. Successful seed drills are already available to producers. A mechanical seedling planter and a mechanical harvester are in the experimental stage.

With a view to improving quality and to stimulating and standardising production, the central processing of rooibos tea on a co-operative basis was approved in principle. Tea-processing plants will be erected in the production area at Citrusdal and Clanwilliam, and it is hoped that they will be in operation by 1974. This step has already attracted many new rooibos tea producers to the industry.

Details of the area planted to rooibos tea and the intake by the Rooibos Tea Control Board since 1971, together with estimates for the 1974 planting season which indicate that production is increasing, are given below:

Year	Area planted	Intake
	Hectares	1 000 kg
1971	4 750	439
1972	5 450	475
1973	7 150	725
1974	7 450	1 205

EXPORTS

Although the export trade is subject to the same quota control as local marketing, exports have shown a stronger tendency to increase. In order to slow down exports, the Board has abolished the rebate of 4,5c per kg on exports as from January 1973. This measure, however, has had no effect on existing contracts or on new enquiries.

Since the export market is regarded as a stimulant for the future, a further 2 721 kg of tea per quarter is made available to each packer for export purposes, over and above his normal quota, mainly to enable packers to follow up new enquiries. For any exports undertaken a claim can be made on the special allocation of the Board at the end of each quarter. The quantities exported since 1971 and their value, together with estimates for 1974, are shown below:

Year	Exports	Value
	kg	R
1971	39 341	17 500
1972	48 900	23 000
1973	56 000	35 280
1974	60 000	37 800

CONSUMPTION

Owing to the drop in production and the consequent strict control of marketing quotas the consumption of rooibos tea has remained at a fairly constant level. From the beginning of 1973 quota control was reduced by a further 5% and the trade is at present supplied at a 20% quota control. It appears that, if consumption is maintained at a constant level by means of quota control and production increases as estimated, it will be possible to start relaxing the present quota control by 1976.

Sales by the Board, the proceeds and consumption since 1970, with estimates for 1973, are as follows:

Year	Sales	Proceeds	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	1 258
1973	950	450 000	1 200

With a view to standardising the product a bulk mixing machine was installed at the end of 1972. Not only did the installation of the machine result in 90% of the packers making use of the service, but it was possible to mix stored waste products and make them marketable.